

Central Intelligence Agency



Washington, D.C. 20505

30 May 2019

Ms. Emma Best
MuckRock News
DEPT MR 60123
411A Highland Avenue
Somerville, MA 02144-2516

Reference: F-2018-02420

Dear Ms. Best:

This is a final response to your 15 October 2018 appeal to the Agency Release Panel (ARP) of your request for records under the Freedom of Information Act (FOIA).

The ARP carefully considered your petition and determined that the appeal should be granted in part. As the Executive Secretary of the ARP, I am the CIA official responsible for informing you of the appellate determination, described more fully in what follows.

As a result of searches reasonably calculated to locate records responsive to your request, two documents were located which may be released in part, while withholding portions on the basis of FOIA exemptions (b)(1), (b)(3), and (b)(6). Exemption (b)(3) pertains to information exempt from disclosure by statute. The relevant statutes are Section 6 of the Central Intelligence Agency Act of 1949, and Section 102A(i)(1) of the National Security Act of 1947. Enclosed are copies of the documents showing our deletions and citing our exemptions.

In accordance with the provisions of the FOIA, you have the right to seek judicial review of this determination in federal district court. Alternatively, the Office of Government Information Services (OGIS) offers mediation services to resolve disputes between FOIA requesters and federal agencies. Using services offered by OGIS does not affect your right to pursue litigation. For more information, including how to contact OGIS, please consult its website at [http://ogis/archives.gov](http://ogis.archives.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Lilly".

Mark Lilly
Executive Secretary
Agency Release Panel

Enclosures

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CIA HISTORICAL STAFF

The DCI Historical Series

Offices of the Directorate for Intelligence, 1953-60

Vol. I ORR

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HS 4, vol. I
1963

No. 3 of 3

W A R N I N G

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THE DCI HISTORICAL SERIES

HS 4

OFFICES OF THE DIRECTORATE FOR INTELLIGENCE
1953-60

VOLUME I: ORR

by

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1963

HISTORICAL STAFF
CENTRAL INTELLIGENCE AGENCY

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~~SECRET~~Foreword

To the extent that a dynamic process such as intelligence lends itself to consolidation, the years from 1953 through 1960 may well be regarded as the consolidation years for CIA. Although there were many notable accomplishments from 1947 to 1953 in the pre-1953 period, this was, par excellence, a time of evolution in which the Agency, following its emergence from the Office of Strategic Services and the CIG was adjusting to an independent existence. This was also a period of trial and error in which old and unproductive methods were being cast aside, and new and more promising ones adopted. This was furthermore a probationary period wherein the Agency, lacking experience and confronting a considerable degree of resentment and jealousy on the part of old-line agencies and departments, had to vindicate its competence to execute its assigned mission. Most significantly, perhaps, the years up to 1953 had been a period of changing leadership with little continuity of guidance.

It would be misleading to claim that none of the problems that plagued the early years existed during the post-1953 period. They did, indeed, and, additionally,

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many new and unforeseen problems arose. However, as time went on and experience and know-how at all levels accumulated, the Agency was steadily increasing its ability to solve these problems as they developed. A key factor in this respect, and one which constitutes the greatest contrast between the pre- and post-1953 periods, was the long, uninterrupted administration of Allen Welsh Dulles, covering the entire Eisenhower administration and beyond. The first civilian to head the CIA, Dulles brought to this position many years' experience in intelligence, dating back to World War I. Not only Dulles himself but also many of his principal subordinates served continuously throughout this long period.

What has been said above about the Agency as a whole applies in an eminent degree to the Office of Research and Reports (ORR). Still a mere two years old at the beginning of 1953, ORR was then experiencing all the frustrations of a toddler: its step was unsteady; its progress slow; and its accomplishments were relatively meager. In the same month that Dulles became DCI, Otto Guthe assumed responsibility for the direction of ORR. Simultaneously [] took over the leadership of the Geographic Research Area, and a few months sub-

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sequent to this [] was appointed head of Economic Research Area. Like Dulles, these three men retained their respective positions throughout the 1953-1960 period, and the result of their combined efforts has been the transformation of ORR into the Government's key producer of economic and geographic intelligence on the Sino-Soviet Bloc countries.

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One of the earliest objectives of the new administration in ORR was to establish a definite mission for that Office. At the beginning of 1953 the principal guidelines for the production of economic intelligence were contained in National Security Intelligence Directives (NSCID's) 1, 3, and 15. These directives left a great deal to be desired from the point of view of clarity and precision. For the better part of a year and a half negotiations were carried on between CIA and other interested agencies and departments. The outcome of these negotiations was the enactment in September 1954 of Director of Central Intelligence Directive (DCID) 15/1, whereby ORR was given primary responsibility for the production of economic intelligence on the Sino-Soviet Bloc countries.

Upon the enactment of this directive, ORR launched

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a broad-scale offensive to devise procedures and methods best suited to the fulfillment of its assigned mission. Research programs were revised; the drive to recruit competent personnel, already in progress, was greatly stepped up; where necessary, the capabilities of other government agencies and departments, and also those of private concerns, were tapped; coordination, resulting in intimate working relationships not only between ORR and other government agencies and departments but also between that Office and [REDACTED]

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[REDACTED] was carried to a high level.

At the same time that ORR was engaged in this wide-spread cooperative endeavor, it was also striving steadily to become as self-sufficient as possible in the matter of research capability. As new recruits were gaining experience and as more seasoned personnel were expanding and refining theirs, the groundwork was being laid for a sophisticated research cadre. It was not surprising, therefore, that when the 1950's were drawing to a close, research in ORR had reached the stage where it was relatively independent of the outside assistance on which it had theretofore been heavily dependent. In short, the 1953-1960 period witnessed the growth and maturity of economic research in ORR.

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THE OFFICE OF RESEARCH AND REPORTS 1953-1960

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The Office of Research and Reports 1953-1960

Introduction

In February 1953 when Mr. Allen Welsh Dulles succeeded General Walter Bedell Smith as Director of CIA, the Office of Research and Reports (ORR) had been in existence for a little more than two years. During that period of development, Max Millikan, first Assistant Director of ORR, and Robert Amory, Jr., his successor, and their assistants had searched for means of strengthening CIA's assets for economic research, to meet its responsibilities under National Security Council Intelligence Directives NSCID's 1, 3, and 15. Before establishing any definite goals for the newly established Office, Millikan first sought to determine the most significant aspects of the Soviet economy on which intelligence research was needed, and secondly to discover the extent to which these needs could or could not be satisfied from CIA's own sources.

In addition to substantive research problems during these early years there was also a host of administrative details to be handled. The staff inherited by ORR from the Office of Research and Estimates (ORE) had to be transformed into a smoothly functioning research group. Although there were talented people on the original staff,

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additional researchers with special training and talents in the disciplines necessary for the execution of ORR's mission had to be located and recruited. Other details that needed attention at the outset were organizational alignments, including a division of labor, a chain of command and the establishment of close links with other branches of the government concerned with Bloc economic intelligence.

The work begun by Millikan was pushed farther along by Amory who became AD/ORR on 17 March 1952. One of the undertakings during Amory's administration was a reorganization of ORR offices which took place in August 1952. The main objectives of this reorganization were a better division of labor among the various office components and a more manageable chain of command under the AD. At the close of his term of office, Amory claimed that a situation had been developed wherein a steadily increasing percentage of man hours "could and should be devoted to a carefully planned program of basic research."

Status of Economic Intelligence on the Soviet Bloc
Countries in February 1953

Notwithstanding the vigorous efforts of Millikan

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and Amory the condition of economic intelligence on the Bloc countries, as described in a report to the National Security Council (NSC) by the outgoing DCI, General Smith, on 6 February 1953, left a great deal to be desired. In this report Smith described the status of economic intelligence on the Bloc area as "far from adequate." In Smith's estimation this inadequacy was due to the fact that the source material available for economic research and analysis consisted mainly of "aggregate statistics of uncertain reliability published by the Soviet Government... and a dwindling flow of low-grade data."¹ In circumstances such as these Smith believed that national security needs for knowledge of the Bloc's economic capabilities and vulnerabilities could be met only "by taking advantage of every possible item of information in the course of a comprehensive, thoroughly planned coordinated study," and "by the exploitation of all pertinent materials whether overt or classified."

Here, in the blunt words of General Smith, was the challenge confronting ORR in early 1953. A great deal would depend on ORR meeting this challenge with the best

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response possible. That this would be a difficult response to make becomes apparent from a brief look at the intelligence situation in the light of Soviet Bloc developments in early 1953. As in the past the "hard facts" so necessary for the formulation of reliable estimates would be difficult to acquire. The rapidly changing kaleidoscope of events in the Bloc, particularly within the USSR itself, including changes in key personnel following the death of Stalin, shifting emphasis in foreign and domestic policies, the developing economic offensive in underdeveloped countries, rapid advances in nuclear science--fission in 1949, fusion in 1953¹--would have the cumulative effect of rendering more difficult ORR's responsibility for economic intelligence on the Soviet Bloc countries.

Organization of ORR During the Early Years
of the Dulles Administration

In February 1953 Amory assumed the Office of Deputy Director for Intelligence and was succeeded as AD/ORR by Doctor Otto E. Guthe who had been Chief of the Geographic Research Area of ORR during the preceding six



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months. At the time Guthe assumed control, ORR responsibilities were distributed among four principal components, namely, the Office of the Assistant Director (OAD), the Economic Research Area (ERA), the Geographic Research Area (GRA) and the Coordination Staff. The AD's office comprised an Executive, an Administrative Staff and a Requirements and Control Staff. The three areas subordinate to the OAD were organized as follows:

- (a) Coordination Staff--Economic Defense Division, Basic Intelligence Division, and the Economic Intelligence Committee (EIC) Secretariat.
- (b) Economic Research--seven divisions--Reports, Analysis, Materials, Industrial, Economic Services, Strategic, and Techniques and Methods.
- (c) Geographic Research--four divisions--Geography, Cartography, Map Library and Photo Intelligence.

By April 1953 a change had been effected in the ERA which resulted in the replacement of the Reports Division by three staffs, namely, Planning and Review, Publications and Projects Control. Later that same year changes took place in the OAD and again in the ERA. The AD's Requirements and Control Staff became the Intelligence Information

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Staff and the Office of Special Assistant to the AD was established. The Projects Control Staff was moved up under the AD from the ERA. A Support Staff was added to the ERA and the latter's Strategic Division was disbanded and the functions it formerly performed were allocated to various other ERA divisions. Prior to this latter change the functions performed by the Strategic Division were being duplicated in various other components of ERA, consequently it was hoped that the dissolution of the Division and the dispersion of its responsibilities among the ERA divisions would help to eliminate this unnecessary duplication of effort.¹ Further changes in the ERA during 1953 included realignments in the Analysis Division in order to prevent overlapping of line and staff functions and also to provide for increased emphasis on coordinated regional studies. Finally in 1953 there were some minor changes in the GRA and the Coordination Staff, including the retitling of certain branches.²

Again in September 1954, the ERA underwent further reorganization. When the Strategic Division was disbanded

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in September 1953 the Consumers Branch of that Division was reorganized and reassigned as part of the Materials Division. This change had been made on the grounds that the Branch's research responsibilities on textiles, synthetic fibers, clothing and footwear should be performed by the Materials Division which was responsible for the extractive industries.¹ Reexamination of the situation in the meantime indicated that the Consumer's Industries Branch should, more properly, be assigned to the Industrial Division which was responsible for research in the manufacturing industries. Stressing the significance of the research being done in the Branch in the light of the constantly increasing emphasis being placed on consumer goods by the Soviet Union, Guthe requested that in addition to its being relocated in the Industrial Division that the T/O of the Consumers Industries Branch be increased from [REDACTED]

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[REDACTED] This increased T/O, according to Guthe, would occasion no overall ORR ceiling increase but would be absorbed within the current budgetary allocations of

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the offices.

Coordination of Foreign Economic Intelligence

From the outset coordination has been a basic responsibility of CIA. This was, indeed, one of the fundamental reasons for its establishment and the various NSCID's and DCID's are abundantly specific on this aspect of the Agency's mission. To facilitate the execution of this responsibility with respect to economic intelligence, the AD/RR, Amory, in August 1952 established the Coordination Staff. The three original components (Economic Defense, Basic Intelligence and EIC Secretariat) of this Staff were augmented in 1954 when the Techniques and Methods Division, responsible for [REDACTED] (b)(1) (b)(3) was transferred thereto from the ERA. Unlike the ERA or the GRA, the Coordination Staff failed to survive as a separate component of ORR. This failure did not mean, of course, that coordination of economic intelligence was no longer important or feasible, but rather that circumstances dictated that one of the components of the Coordination Staff be reconstituted as a separate office and that the others be relocated.

Although the ultimate break-up of the Staff did not

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take place until early 1957 the chain of events which brought about its demise began in August 1955 when the Basic Intelligence Division was deleted from ORR's T/O and was established as a separate DD/I office under the title of Office of Basic Intelligence (OBI).¹ A further threat to the status of the Coordination Staff was posed in 1956 when it became apparent that future demands for intelligence support of Economic Defense activities would be far fewer than they had been in the past. In a proposed ORR reorganization outline submitted to the Management Staff on 13 December 1956 it was stated that "the Economic Defense intelligence support activities of the Office of Research and Reports can be accomplished with acceptable effectiveness with approximately 40 per cent of the manpower currently devoted to this activity, particularly if this remaining capability were located organizationally and physically to insure maximum coordination with and support from the other economic research elements of this Office."² It was proposed, accordingly,

¹ It should be noted here that since the Basic Intelligence Division became a separate DD/I office in August 1955 there will be no treatment of the work of the Division as such in this ORR chapter. This can best be done in a separate chapter on the OBI.

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that the Services Division of the ERA assume the responsibility for the Economic Defense intelligence activities of ORR and that [] positions, constituting the Trade Control Branch of Economic Defense be added to the T/O for this purpose.¹

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With the Basic Intelligence Division already separated from ORR and with the proposed dissolution of the Economic Defense Division there remained in the Coordination Staff only the EIC Secretariat and the Techniques and Methods Division, representing a combined total of [] positions. Furthermore these two components actually provided staff support properly pertaining to the OAD and coordination functions pertaining not only to ORR generally but also to the intelligence community. Consequently it was proposed that these two components be moved up to OAD line of command, in which case a Chief for Coordination would no longer be necessary.² In the Spring of 1957 this proposed reorganization was put into effect, thereby eliminating the Coordination Staff and leaving the OAD, the ERA and the GRA as the three principal organizational components of ORR.

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¹ Ibid.

² Ibid.

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Specific Guidelines for the Production
of Foreign Economic Intelligence

In the realm of coordination a significant accomplishment during the first eighteen months of the Dulles administration was the successful negotiation of a revised agreement in 1953-1954 for assigning research responsibility among certain IAC agencies, notably the Department of State, the Military Services and CIA, for the production of foreign economic intelligence. This agreement, negotiated under the direction of CIA involved the joint efforts of the DDCI, DDI, ORR, State/OIR and the intelligence divisions of the Military Services. The agreement was formalized as Director of Central Intelligence Directive (DCID) 15/1 and was adopted by the IAC on 14 September 1954. That it took a year and a half to bring about this Directive emphasizes the extensive negotiations, compromises, suggestions, countersuggestions, conferences, etc., involved. Viewed, however, in the light of the competitive rivalry then existing, particularly, between CIA and State's OIR with respect to economic intelligence, the time seemed relatively short, and the accomplishments significant. The successfully negotiated directive--another important milestone on the road to

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interagency cooperation--reflected a great deal of credit on the coordinating leadership of CIA.

Prior to 1954 the principal guidelines in the division of responsibilities for the production of foreign economic intelligence were contained in NSCID's 1 and 3, issued in 1948 and NSCID 15 issued in 1951. Despite frequent references to such concepts as "concurrence" and "cooperation" and "coordination", these directives were too vague and were susceptible to various shades of interpretation. The need for revising existing NSC guidelines was not entirely new in 1953, but there seems to have been a new note of urgency then for undertaking a tightening up of the division of labor and removing needless duplication. Judging by the correspondence on this subject which took place in 1953 between Mr. W. Park Armstrong, Jr., Special Assistant, Intelligence, Department of State, and CIA officials the situation in State appears to have been particularly critical, caused in part by a steadily increasing volume of requirements and in part by a stringent reduction in budgetary and personnel resources.^{1,2}

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Robert Amory was no doubt expressing the consensus of CIA on the necessity for redefining the responsibilities for the production of economic intelligence when he stated in May 1953, that NSCID 15 was so vague "as to provide no guidance."¹ Reflecting the consensus of IAC agencies toward this problem, [REDACTED] IAC Secretary, wrote as follows in a cover memorandum to a proposed DCID 15/1 submitted to the IAC for consideration on 28 June 1954: "over the three years since NSCID 15 was issued (13 June 1951) a need has been felt among the IAC agencies for a more refined delineation of responsibilities for the production of foreign economic intelligence."²

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The principal issue at stake between State and CIA was how the responsibilities for the production of foreign economic intelligence should be divided between State's Office of Intelligence Research (OIR) and CIA's

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ORR. This problem was in the talking stage by early April 1953, when Messrs. Amory and Armstrong held discussions in the latter's office. Some time within the month following these discussions Amory assigned primary responsibility to ORR for the economic sections of National Intelligence Estimate (NIE) 88, dealing with "Communist China's Power Potential Through 1957."¹ Amory apparently had discussed this matter personally with Armstrong, for on 16 May 1953 he wrote as follows to the latter: "Following up our conversation I am writing this letter to confirm the fact that my action assigning to CIA/ORR primary responsibility for the economic sections of NIE-88 did not foreclose or assume a particular outcome to our continuing discussions on allocations of responsibility between ORR and OIR."²

At the close of his letter of 16 May 1953, to Armstrong, Amory outlined the principal reasons why he considered that ORR should be assigned primary responsibility for economic

¹ This particular estimate was subsequently renumbered NIE 13-54 and was issued in early 1954.

² Another interesting aspect of this question came to light in September of that same year when Amory, in a memorandum to the DDCI, General Cabell declared, "I as DD/I last Spring instructed AD/NE to look to ORR as the primary contributor of economic sections of estimates on the Bloc." This may well have been the same issue involving NIE 88, which Amory discussed with Armstrong, but it may also have been a more general instruction since, as stated, it pertained to the Bloc and not just Communist China. If the latter was the

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intelligence research on "Red China" as follows:

- (a) The long standing agreement whereby ORR had primary responsibility for economic intelligence on the USSR and its European satellites.¹
- (b) The Bloc's economic capabilities should be viewed as a whole; hence the exclusion of the Chinese economy from aggregates was unthinkable.
- (c) Responsibility should be centralized in one agency for both the aggregates and the components thereof so that those responsible for the final figures and conclusions have control over the production of the ingredients; therefore, division of labor between OIR and ORR on the Chinese economy

case it is a moot question whether Amory also informed Armstrong of this instruction or whether, as seems more likely, it was a purely internal CIA procedure for handling economic contributions on Bloc countries.

¹For quite some time prior to this debate ORR, in recognition of the paucity of intelligence information on the USSR and the European Satellites, had been concentrating special efforts on this portion of the Bloc. It was largely a result of this concentrated effort that ORR was unofficially recognized in the IAC as having primary responsibility for economic intelligence on the USSR and European satellite area.

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was structurally unsound and practically inefficient.

- (d) The manpower and the resources to do the thorough-going research required on the Chinese economy were available in ORR but not in OIR.¹

Notwithstanding Amory's disclaimers about prejudging an eventual settlement of the division of responsibilities between OIR and ORR, the tone and content of his letter left little doubt about CIA's position. Briefly, that position was that the Agency's responsibility for economic intelligence on the USSR and European satellites was a fait accompli, a de facto responsibility requiring only the sanction of the IAC to make it a de jure one as well; and that Communist China was an integral part of the Bloc and as such should come within the purview of CIA in regard to economic intelligence.

The next phase in the negotiations was opened in late August 1953 when Armstrong, in a letter to the DDCI, proposed that steps be taken to clarify the question of responsibility for the production of economic intelligence on

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the entire Communist Bloc.¹ "With this end in view," Armstrong wrote, "it occurred to me that a DCI directive, patterned along the lines of DCID 3/4, which delineates responsibility in the scientific field, might serve as a suitable vehicle." A copy of this proposed directive accompanied Armstrong's letter to the DDCI. Ignoring the long-standing agreement, giving CIA responsibility for economic intelligence on the USSR and the European satellites, Armstrong's directive (DCID 15/1) outlined an expansive economic research program for OIR which apparently took little or no account of the serious budgetary and personnel shortages then confronting the Department. This world-wide research program would include, so he proposed, economic policies and organization, economic development, fiscal policy, monetary systems, over-all economic trends, national product and income, government budgets, price levels, standard of living, foreign economic relations, international trade, international finance and internal trade systems. Briefly, Armstrong's directive would give the lion's share of economic responsibilities to State OIR and what was left would be divided between CIA and the Military Services.²

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The OIR draft was subjected to a detailed study by the DD/I and ORR. On the basis of the content and intent of NSCID's 1 and 3 it was argued that the DCI was required to perform for the benefit of the existing intelligence agencies such services of common concern as the NSC determined could be more efficiently accomplished centrally. With respect to NSCID 3 there was the implication that the production of economic intelligence on the Soviet Bloc was a service of common concern to the intelligence community. Research in depth on the Soviet economy in its entirety could, in view of ORR, be more efficiently accomplished centrally, and therefore should logically fall to CIA.

The Study disagreed with Armstrong's view that it was possible to divide responsibilities for economic intelligence between State (OIR) and CIA (ORR) in the same way that DCID 3/4 had divided responsibilities between CIA (OSI) and the Military Services.¹ In support of this contention it was pointed out that "the various subjects requiring research in the field of economic intelligence are so interrelated

¹ It will be seen in the history of OSI for this period that DCID 3/4 was anything but a satisfactory Directive for the division of responsibilities for scientific and technical intelligence between CIA and the Military Services.

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that any artificial separation of research responsibility would reduce the efficiency and effectiveness of the total research effort".¹ By way of example several instances were cited of "artificial separation" of interrelated research activities in Armstrong's draft, such as separating work on the standard of living (State) and Agriculture (CIA). "The interrelationships of these two subjects was clearly demonstrated," it was claimed, "by the recent Malenkov speech and by the related food and living standard problems which prompted the recent outbreaks in East Germany".² The study, furthermore, pointed to ORR's more favorable personnel situation to undertake the research in depth which the economics of the Soviet Bloc required. As of January 1953, ORR had professional personnel doing

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full-time research on the economy of the Soviet Bloc, while State/OIR had only [] including those working on NIS projects, and the relative proportions had not changed in the interim.¹

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The study came to the following conclusions:

- (1) That neither the Department of State nor the Military Services had dominant interest or primary responsibilities for the production of economic intelligence on the Soviet Bloc;
- (2) That this intelligence production was a matter of common concern and could be most efficiently accomplished centrally in CIA, because it required research in depth and an integrated approach to the entire economic structure;
- (3) That the State proposal did not abide by the intent of NSCID 3, to minimize the necessity for any agency to develop intelligence production capabilities in fields outside its dominant interest; and finally

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- (4) That other agencies should supplement the economic intelligence on the Soviet Bloc produced by CIA in order to meet their departmental needs.

The staff study also included a draft of a DCID 15/1 which, unlike the world-wide one drawn up by Mr. Armstrong, dealt only with the division of primary production responsibilities for economic intelligence on the Soviet Bloc. According to the CIA draft these primary responsibilities would be allocated as follows: Economic intelligence on the Soviet Bloc, as a matter of common concern would be the primary responsibility of CIA. The other intelligence agencies would draw upon the intelligence produced by CIA and produce such additional intelligence as might be required for their departmental responsibilities. State would retain primary responsibility for the production of supplementary politico-economic intelligence to meet its departmental responsibilities on such matters as foreign economic relations, trade agreements, etc. The Military Services would retain primary responsibility for producing supplementary military-economic intelligence to meet their departmental responsibilities on such matters as logistics, military end items, target systems, etc.¹

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In effect the study followed the strong position Amory had taken in May 1953, and became the basis of CIA's reply to the State Department by the DDCI, General Cabell, on 18 September 1953. Cabell told Armstrong that his proposal was not feasible, primarily because it allocated "fragments of the problem in such a way that the integral responsibility for evaluating the economic capabilities of the Bloc would not be satisfactorily met".¹ Accompanying this letter was a copy of a CIA draft of DCID 15/1 which the DDCI suggested be used as a basis for further discussion of the subject.

Between 18 September 1953 and 28 June 1954, little or no progress was made in reaching a solution. On the latter date, however, a proposed DCID 15/1 was submitted to the IAC for consideration.² The IAC referred the proposed directive to the Economic Intelligence Committee (EIC) for study and recommendations on 3 August 1954.³ The EIC in turn established an ad hoc working group, chaired by CIA, with representatives from CIA, State, Army, Navy, Air Force and the Joint Staff to study the proposed directive. After

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five meetings this working group reached an agreement on a revision of the above draft, in which the EIC members concurred subsequent to a few minor revisions and the IAC approved it.

As finally approved DCID 15/1 allocated responsibilities for the production of foreign economic intelligence as follows:

- (a) Production of military-economic intelligence on all countries, including by way of illustration, intelligence on military requirements, military material production, etc., was the responsibility of the departments of the Department of Defense.
- (b) Production of intelligence on all foreign countries on economic doctrines, political and social aspects of economic organizations and institutions such as trade unions, and on the relationship between political and economic policies, was the responsibility of the Department of State.
- (c) Production of all economic intelligence on the Soviet Bloc¹ was the responsibility of CIA

¹ Besides the USSR and its Eastern European Satellites, the Bloc was to include Communist China and the Communist dominated portions of Korea and Indo-China.

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except as indicated above. In addition CIA was to supplement the intelligence produced by other agencies by conducting such independent analysis and studies as may be necessary to produce integrated economic intelligence on the Bloc.

- (d) Production of all economic intelligence on foreign countries outside the Soviet Bloc was to be the responsibility of State with the exception of that allocated to the Department of Defense.¹

The IAC in adopting DCID 15/1 thus sustained the long-held position of CIA that economic intelligence on the Sino-Soviet Bloc was a service of common concern that could most efficiently be produced centrally within the Agency by ORR. Due notice will be taken later on of the beneficial results which flowed from DCID 15/1. As an important supplement to NSCID's 1 and 3 it continued to provide the principal guidelines for the production and coordination of foreign economic intelligence until 1958 when it was incorporated into the

¹ DCID 15/1, 14 September 1954, Confidential.

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re-codified NSCID's 1 and 3 (New Series) and DCID 3/1 (New Series).

The Economic Intelligence Committee

The guidelines which DCID 15/1 laid down for the division of responsibilities among various IAC agencies in the production of foreign economic intelligence were by no means intended to be absolute in character. Indeed it was stated specifically in section 2, paragraph E of the directive that "despite the . . . allocation of primary production responsibilities, there will be areas of common or over-lapping interest . . . which will require continuing interagency liaison and cooperation".¹ Coordination was thus recognized as a vital factor where so many overlapping interests were concerned and it is scarcely an exaggeration to say that the effectiveness of the guidelines established by the IAC would rely heavily on a close-knit system of coordination. The chief instrument to provide this coordination had actually been in existence for more than three years by the time DCID 15/1 was adopted. This was the Economic Intelligence Committee (EIC) which had been established on 29 May 1951.²

¹ Ibid.

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The question might well be asked why the EIC had not been more effective in preventing the duplication of effort which plagued the producers of foreign economic intelligence prior to the enactment of DCID 15/1. This can be answered by stating that during its early period the EIC had to devote much of its effort "to organizational problems, to clarifying responsibilities of various members and associate members, to developing procedures, and to laying out the pattern for future development."¹ There were also, as indicated in the Second Annual Progress Report of the EIC, certain deficiencies which needed correction. Certain projects, for example, tended to be unduly drawn out and improperly directed and coordinated, resulting in the preparation of a CIA rather than an EIC end product. Also the EIC was devoting insufficient time to the guidance and review of the activities of its subcommittees dealing with substantive research problems.²

But even though there were recognizable shortcomings in the performance of the EIC, it was basically sound as a

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coordinative instrument. It should be noted here that in the course of the lengthy negotiations preparatory to the adoption of DCID 15/1 there was little if any evidence of fault-finding with respect to the EIC. There was, on the other hand, general agreement among the IAC participants in these negotiations that the EIC should continue the coordination functions originally assigned. It was, however, recognized that if more and better coordination were to be provided in the future these functions would need to be enlarged and expanded. Provisions were accordingly made in DCID 15/1 to broaden the responsibilities of the EIC.

The responsibilities originally assigned to the EIC in 1951 comprised eight specific tasks, seven of which were coordinative in character and one substantive, namely, the preparation of "coordinated reports which present the best available foreign economic intelligence."¹ Under the

¹ Ibid. The seven coordinative functions assigned to the IAC in IAC-D-22/1 included:

(1) Arrange for concerted economic intelligence support, on selected major issues, for studies of interagency interest requested by the IAC, the Joint Chiefs, etc.

(2) Arrange for the mobilization of the data and analysis available, relevant to appropriate operating problems of any member agency requesting assistance.

(3) Examine continuing programs of fundamental economic research relating to the national security throughout the Federal Government and make recommendations to the IAC for appropriate allocation of responsibilities. (continued)

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specifications laid down in section 3 of DCID 15/1 in 1954 the EIC was to retain these eight tasks and assume five additional ones. Three of the latter, designed to provide better assistance to CIA in the execution of its coordination responsibilities consisted of:

- (1) reviewing from time to time the allocation of responsibilities assigned herein.
- (2) determining how the provisions of this directive apply, particularly, in areas of common or overlapping interest.
- (3) recommending to the IAC appropriate changes in the allocations of responsibility assigned herein.

The two remaining new tasks, directed toward the problem of minimizing the duplication of effort and expenses, stipulated:

(4) Review and report to the IAC periodically on the pertinence, extent and quality of the data and analyses available, hearing on the issues analyzed.

(5) Make recommendations to the IAC for appropriate action priorities and the allocation of responsibilities for collection and analysis to fill specific gaps in the economic intelligence needed for national security.

(6) Maintain a continuing review of the foreign economic intelligence activities of the Federal Government as they relate to the national security.

(7) Make special reviews of economic intelligence distribution and processing procedures as may appear useful, and make recommendations for improvement to the IAC, which shall have responsibility for instituting such action as it may judge appropriate.

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- (4) that the EIC prepare and circulate consolidated periodic lists of the economic research being conducted within the intelligence agencies, and
- (5) that agencies sponsoring external research projects involving more than \$5,000, in support of economic intelligence production were to submit descriptions of the scope of such projects to the EIC for review. In turn the EIC was to endeavor to present its recommendations in advance of the final approval by the contracting agency and to provide a summary of actions on these projects in its periodic reports to the IAC.¹

While the EIC, under the chairmanship of the AD/ORR, theoretically had responsibility for the coordination of foreign economic intelligence, in actual practice a great deal of the work was performed by the subcommittees and Working Groups which the EIC was empowered to establish as it judged necessary. Membership in the EIC was divided into two main categories:

- (1) Full members--representatives from the IAC agencies, (State, Army, Navy, Air Force, CIA

¹ DCID 15/1, 14 September 1954, op cit.

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and JCS) constituting the EIC proper.

(2) Associate members from twenty non-IAC agencies.¹

As appropriate these associates shared membership with certain IAC representatives on the various subcommittees and Working Groups. The membership of the subcommittee on Agriculture, for example, was made up of IAC members from State, Army, Air Force and CIA, and non-IAC associate members from Agriculture and FOA. Already by June 1953, ten EIC subcommittees had been established. These were: Agriculture; Armaments; Chemicals; Economic Analysis; Electronics, and Telecommunications; Population and Manpower; Requirements and Facilities for Collation; Transportation; Petroleum; and International Trade and Finance. In addition to these subcommittees, EIC Working Groups were engaged in studies for NIE's, for the IAC and for Individual Agencies.²

¹ These Agencies and Departments were: Departments of Agriculture, Commerce, Interior, Justice, Labor and Treasury; Civil Aeronautics Board (CAB); Export-Import Bank; Federal Communications Commission (FCC); Federal Reserve System (FRS); Federal Trade Commission (FTC); Foreign Operations Agency (FOA); Health, Education and Welfare (HEW); Mutual Defense Assistance Corporation (MDAC); Office of Defense Mobilization (ODM); Office of Secretary of Defense (OSD); Reconstruction Finance Corporation (RFC); Securities and Exchange Commission (SEC); Tariff Commission; and Weapons Systems Evaluation Group (WSEG).

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The EIC Secretariat

The principal administrative unit responsible for the day-to-day activities of the EIC was the Secretariat. Prominent among the responsibilities allocated to the EIC Secretariat were:

- (1) Arrange for the establishment of such subcommittees and working groups as approved by the EIC, and provide economic intelligence support on matters affecting the national security.
- (2) Review reports and surveys of subcommittees and working groups to insure their adequacy for presentation to the EIC.
- (3) Produce and coordinate contributions to Priority National Intelligence Objectives, EIC Emergency Plans, and staff studies for EIC approval.
- (4) Prepare and publish annual survey listings of Bloc and non-Bloc internal and external economic research projects for use by analysts and for program planning, etc.¹

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Apropos the foregoing responsibility two listings of research covering economic intelligence on the Sino-Soviet Bloc compiled and published by the Secretariat during 1954-55 deserve special notice. These were:

- (1) an inclusive listing of internal governmental research by the U.S. Government



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and

- (2) a similar inclusive listing for calendar year 1954, but including also U.S. Government-sponsored external research for that year.

In its coverage of external research projects in the second listing the Secretariat drew on the Department of State's External Research Staff and the quarterly listing of external research under contract in the social sciences as published by this staff. This consolidation of internal and external research in a single publication and the utilization of State's external research facilities were notable steps in the direction of minimizing duplication of effort and expense, particularly, as they were fulfilling some of the specific purposes for which the functions of the EIC

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had been expanded in DCID 15/1. After 1956 there was a steady decline in the Secretariat Staff. In that year the staff boasted three professionals--an Executive Secretary, a Principal Staff Economist and a Staff Economist--and four clericals. As of August 1960 the staff had declined in size to an Executive Secretary, one intelligence assistant and one secretary.

Areas of Coordination by the EIC

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Communist Chinese Trade Issues 1952-1955

Another interesting example of intelligence coordination involving ORR [] was that having to do with conflicting intelligence reports on Chinese Communist trade with the Free World and the impact this was having on China's involvement in the Korean War. This being a highly controversial subject it uncovered differences of opinion not only among U.S. Intelligence agencies but also between []

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In the course of these discussions on Communist China's trade particular attention was focused on sea-going trade and on the extent to which Free World shipping facilitated

¹ IAC-D-22/2, 17 August 1953, op. cit.

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Communist China's efforts in the Korean War. President Truman expressed grave concern on the basis of certain trade statistics furnished him by the Chief of Naval Operations. Specifically, these statistics indicated that:

- (1) Communist China had imported an estimated minimum of 600,000 short tons per month by ship during 1951.

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- (3) The Trans-Siberian Railroad was operating at near capacity. In the absence of seaborne traffic, China could not import more than a very small part of the equivalent tonnage by overland routes. On the basis of this information the U.S. position, as expressed by President Truman, was that interdiction of seaborne traffic into Communist China would have a "serious and probably critical effect on the Chinese economy which would, of course, directly affect China's warmaking potential."¹

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[REDACTED]
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Department of State requested the IAC to initiate an intel-
ligence study [REDACTED]

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[REDACTED] On 8 January 1952, the DCI, as Chairman of
the IAC, directed that such a study be undertaken and that
it be conducted by the EIC. Thus came into existence the
significant EIC-RI series dealing with Communist Chinese
trade and transport.

The first three of these EIC studies, covering respec-
tively 1951, the first six months of 1952 and the entire
year of 1952, were completely coordinated within the U.S.
intelligence community [REDACTED]

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While there remained some unresolved differences [REDACTED]

[REDACTED] there was general agreement
on the following points:

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- (a) In 1951 Communist China imported slightly
less than a million tons by sea in ocean-
going vessels. River vessels, junks and

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launches carried an additional 1/4 million tons. In 1952 total seaborne imports, including shipments both in ocean-going vessels and in minor craft totaled approximately 1,100,000 tons. On a monthly basis imports by ship into Communist China for 1951 and 1952 averaged about 100,000 tons, as compared to the figure of 600,000 tons a month given to President Truman by the Chief of Naval Operations.

- (b) A very small percentage of Communist China's imports from the Free World consisted of items on the International Control List, governing non-Bloc shipments to that country, a conclusion quite at variance with the impression given Truman that "strategic materials" from the non-Communist world were providing "substantial assistance" to Communist China.
- (c) The most definitive of these three studies, EIC-RI-S2, dealing with the capacity of the Trans-Siberian Railroad, concluded that the through traffic capability of that Railroad and its connecting lines into Manchuria and North Korea had an unused capability of between 2 million and

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3 million tons per year, or an amount considerably greater than Communist China's total sea-borne imports. Again there were differences between this agreed intelligence conclusion and the information supplied to Truman, purporting to show that the Trans-Siberian Railroad was "already operating at near capacity" and that "in the absence of seaborne traffic, China could not import more than a small part of the equivalent tonnage by overland routes."¹

Supplementary evidence in support of the joint conclusions was furnished by two National Intelligence Special Estimates. These were:

- (a) SE-27, "Probable Effects of Various Possible Courses of Action with Respect to Communist China;" and
- (b) SE-37, "Probably Effects on the Soviet Bloc of Certain Courses of Action Directed at the Internal and External Commerce of Communist China."

Both of these estimates dealt with the impact of a naval blockade on Communist China's trade. SE-37, for example,

¹ Ibid.

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concluded that "a total embargo on non-Communist China would probably have no significant effect on Chinese Communist capabilities to sustain military operations in Korea or to undertake military operations elsewhere but would retard the expansion of Chinese Communist industry. The estimate also stated that "the Soviet Bloc could assume the entire burden imposed by embargo and supply to Communist China all the commodities it otherwise would have received from the West."¹

During the period from 1952 to 1955 economic representatives from ORR [redacted] met in annual conferences to coordinate and collate their intelligence on Communist Chinese trade and transport, subsequent to which joint reports were published. [redacted]

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¹ Ibid.

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(b)(3)EIC Concentration on Soviet Bloc Problems

The EIC in planning its activities for Fiscal Year 1955 decided to place greater emphasis on problems concerning the Soviet Bloc. This decision was, no doubt, prompted in part by Soviet advances in nuclear research and by the economic offensive which the Soviet Union was then launching in the underdeveloped countries of the Free World. The EIC progress report for 1954-55 leaves little doubt about the concerted effort made to execute this decision. All the major EIC reports and surveys completed or in progress during that year were concerned exclusively with Sino-Soviet Bloc problems, including such topics as trade, transport, balance of payments, war-waging capabilities, metals, minerals, electric power, etc.² In addition the EIC established

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an Ad Hoc Working Group on Guided Missiles Economic Intelligence on a six-month experimental basis to test its usefulness, and a new Subcommittee on Shipbuilding, bringing the total number of subcommittees to 14.

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Fiscal year ending 30 June 1956 experienced a marked extension of Bloc efforts to gain economic and political advantages by expanding Sino-Soviet economic relations with countries in the Free World. In response to this offensive important new efforts were initiated by the EIC to provide expanded coverage on Bloc economic activities. One significant move in this direction, undertaken at the request of Dr. Joseph Dodge, the Special Assistant to the President for Foreign Economic Policy, was a Special EIC Working Group, to follow systematically and report regularly (biweekly and quarterly) on Sino-Soviet foreign economic activities, particularly in underdeveloped countries of the Free World. In the course of fiscal year 1956, this Working Group published ten biweekly reports on the developing Soviet economic

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offensive.¹ During the following fiscal year, as more and more effort was being concentrated on Bloc economic penetration on non-Orbit underdeveloped countries, this Special Working Group spearheaded the production of three comprehensive EIC reports on this subject--EIC-R-14, covering the period from the close of World War II through April 1956, and two supplements--EIC-R-14-S1 and S2-- covering the remainder of calendar year 1956. In addition to these comprehensive reports the Special Working Group, during that same year, published twenty-six biweekly reports covering Bloc activities in underdeveloped Free World areas on a current factual basis.²

Further examples of the EIC's concentrated attack on the problem of Bloc economic activities during this period were the various collection and guidance aids being produced. During fiscal year 1956 the Subcommittee on Requirements

¹ With respect to other organizational changes it should be noted that the EIC Working Group on Guided Missiles Economic Intelligence, established on a six-month trial basis was disbanded in December 1955 with the establishment of the Guided Missiles Intelligence Committee of the IAC.

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completed the preparation of a Bibliography of Requirements Manuals and Guides available in the community for interrogation on economic, scientific and technical intelligence on the Soviet Bloc.¹ Around this same time another EIC Subcommittee coordinated and published as a research aid

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In August

1956, the EIC issued the first statement of Priority National Intelligence Objectives" as a guide for economic intelligence collection and production, identifying and expanding the economic aspects of DCID 4/5, "Priority National Intelligence Objectives."²

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~~SECRET~~Improved EIC Support of the NIE Program

In the Summer of 1955, the EIC appointed a special group of its members to examine the problem of EIC's responsibility for systematic evaluation of the efforts of the economic intelligence community. The recommendations of this group as approved in August of that year placed primary emphasis on improved support of the National Intelligence Estimates Program. In line with these recommendations the EIC specifically considered the economic portions of the post mortems on NIE 11-5-55, "Air Defense of the Soviet Bloc, 1955-60"; and NIE 13-56, "Chinese Communist Capabilities and Probable Courses of Action Through 1960", to assure that appropriate remedial actions were being taken by the various responsible agencies.

Beneficial Results of DCID 15/1

By early 1956 there was already evidence that DCID 15/1, enacted in September 1954, was beginning to bear fruit. This was especially true with regard to the work of the EIC. Thanks, in great part, to that Directive, there was now greater understanding among the IAC agencies about their mutual responsibilities and about the various ways in which they could complement and supplement their respective undertakings.

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The happy result was a greater exchange of knowledge and information among technical and professional personnel in the various agencies at the working level and more effective and rapid coordination of responses to special requests placed upon the EIC. Working level cooperation and coordination had developed to the point where some economic intelligence questions could be answered most efficiently by single agency effort or by informal consultation among analysts of two or more agencies. Because of this development some of the EIC subcommittees had become less active and in January 1956, the EIC discontinued its subcommittee on armaments, thus reducing to thirteen the number of permanent EIC subcommittees.¹

EIC Participation on Overall Review
of NSCID's and DCID's

During Fiscal Year 1957-58 the EIC, in addition to its regular duties, devoted considerable effort to the overall review and revision of those NSCID's and DCID's that were pertinent to economic intelligence. The EIC's chief concern was, of course, with DCID 15/1 and IAC-D-22/1 (Revised) which had thus far provided the principal guidelines for the production and coordination of foreign economic intelligence.

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The new responsibilities, reissued under DCID 3/1, remained essentially the same as they had been under the earlier directives, except that the language was sharpened and clarified. The EIC Terms of Reference, formerly provided in IAC-D-22/1 (Revised), were incorporated in DCID 3/1, and the coordination functions were divided into seven categories. NSCID 15 was rescinded.¹ As a result of the consolidation in 1958 of the IAC and the USCIB in the United States Intelligence Board (USIB), two additional USIB agencies--the National Security Agency (NSA) and the Office of Secretary of Defense (OSD)--were added to the EIC roster, thus increasing the total USIB membership on the Committee from 6 to 8.²

EIC Activities 1959-1960

Under its new charter the EIC continued to provide the intelligence community with coordinated economic intelligence on such regular topics as Sino-Soviet Bloc Economic Activities in undeveloped Areas; Communist China's International Trade and Transport; Survey Listings of Internal and External

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Economic Research Projects.

In addition to these regular undertakings the EIC, during 1959-1960, was engaged in various special projects. Some of these were initiated by the EIC in order to provide the intelligence community with more efficient tools, while others were begun in response to specific requests from USIB agencies and departments. In September 1958 the EIC Secretariat published a Survey of Professional Personnel Engaged in Economic Intelligence and Related Economic Research on Sino-Soviet Bloc and Non-Bloc Areas. This Survey covered twenty-four U.S. Government departments and agencies concerned with economic research on foreign areas and included contract personnel as well as government personnel engaged in such research. The Survey, which included comparisons with similar surveys made in 1953, was designed as an aid to all departments and agencies in providing guidance for the planning and organization of their respective economic intelligence research activities.¹

In May 1959 the EIC Subcommittee on Agriculture published a report on the Policies, Performance, and Prospects of Soviet Agriculture, 1953-65. This study was requested by the Department of State and was implemented largely by CIA

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with contributions from the Departments of State and Agriculture and the National Institute of Health. Also in 1959 the EIC Secretariat initiated a new program for the preparation of Surveys of Priority Deficiencies of Collection on the Sino-Soviet Bloc. Supplanting the relatively ineffective subcommittee handling of these Surveys, the new program utilized, as a basis for discussion, the most recent CIA/ORR-produced statements of Priority Gaps in Intelligence.¹

Following a request from the Assistant Secretary of State for European Affairs an ad hoc working group of the EIC, in December 1960, prepared a report on the Vulnerability of the East German Economy to Western Counter-measures. Approved by the EIC on 13 January 1961, (b)(1)

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Intelligence Support of the Economic
Defense Program of the U.S. Government
Through ORR's Economic Defense Division

Practically from its beginning CIA had been playing a significant role in producing and coordinating intelligence reports for the economic defense program of the U.S. Government. This economic defense program, based upon a number of NSC policy directives and congressional enactments, was absolutely dependent on the various agencies for intelligence support, particularly, intelligence on Soviet Bloc needs for imports from the rest of the world. Beginning in 1948, CIA had a separately organized program, first in the Economic Division of ORE, and later, after November 1950, in the Economic Analysis Division of ORR. In June 1952, the Economic Analysis Division was divided into an Analysis Division (one of the ERA divisions) and an Economic Defense Division (D/E) with the latter assuming responsibility for economic defense intelligence support. Organizationally, the D/E was separated from the main economic research area and constituted one of the principal components of the Coordination Staff. The D/E's responsibilities, consisting of current intelligence support to a number of U.S. Government agencies, and their overseas representatives, in the general field of foreign

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trade and export--import, controls, were divided between two branches--Strategic Controls Support and Strategic Trade.¹

The first assistance which CIA gave the economic defense program was to collaborate in drafting a list of strategic commodities for the control of exports to the Soviet Bloc.² This undertaking was initiated in the Spring of 1948 at the request of the Assistant Secretary of Commerce for International Affairs. In assembling the desired material, industry and commodity specialists in ORE, worked with specialists in other Government agencies and departments, and compiled a list of commodities which were generally agreed to be important to the Soviet Bloc in the development of its war-making capabilities.

Following the enactment of the Export Control Act of July 1949, an Advisory Committee on Export Policy (ACEP) was established. When the Secretary of Commerce requested the participation of CIA in ACEP, a staff member of the Economics Division in ORE was made agency representative.

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Intelligence support for this endeavor was drawn from industry, commodity and science specialists throughout the various components of the Agency. By 1 June 1950, a U.S. export control program was well advanced.

Two major types of intelligence support were provided; namely,

- (1) the intelligence basis for the strategic rating of items considered for inclusion on the export control lists¹ and for revision of these lists.
- (2) intelligence to the action agencies for the enforcement of controls.

Auxiliary support activities included:

- (a) direct participation in interagency economic defense committees and working groups;
- (b) support to U.S. delegations
conducting negotiations abroad on economic defense matters;
- (c) active participation in the preparation of collection requirements for economic defense intelligence;

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- (d) reviewing, for the DCI and the DD/I, economic defense papers presented to the NSC Planning Board and the NSC.

Intelligence Support for Export Control Lists.

In theory at least the export of strategic goods from the Free World to the Soviet Bloc was controlled through a program of embargo on selected items, quantitative restrictions, and surveillance over other items not subject to embargo or quota.¹ In the development and subsequent revisions of security export control lists, the action agencies were in urgent need of intelligence on the Soviet Bloc with respect to the particular items under consideration. With the formation of ORR (in October 1950), the Economic Analysis Division, as stated above, was designated to provide intelligence support to the action agencies

¹In its final form the international control structure consisted of two distinct patterns of control applicable through COCOM against the European Soviet Bloc and through CHINCOM against Communist China. The COCOM controls consisted of three separate lists corresponding to the above-mentioned control categories (embargo, quantitative control and surveillance) and the CHINCOM controls included an embargo of all the items in the COCOM lists plus an extended list of supplementary items. (See Development and Progress of the Office of Research and Reports, Chapter IV, op. cit.

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responsible for strategic export controls. Division personnel represented CIA at all interagency committees and working groups which were responsible for the development and revision of the export control lists.

Of the various committees and working groups set up from time to time for the purpose of strengthening the substantive and coordinative aspects of economic defense intelligence, the following deserve special notice:

- (a) The Economic Defense Advisory Committee (EDAC), an interagency advisory committee established under the provisions of the Mutual Defense Assistance Control Act of 1951. The Director of Mutual Security having requested CIA participation in this committee, the AD/ORR was designated as the Agency representative on EDAC. When in August 1952 the Economic Defense Division became a subordinate component of the Coordination Area of ORR, the Chief for Coordination was made the CIA representative on the EDAC Executive Committee, while the Chief of the Economic Defense Division (D/E) was named an alternate on both the EDAC and its Executive Committee. Other D/E personnel were appointed to serve on

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working groups and subcommittees. Technical task groups initially set up under ACEP were reconstituted to serve the EDAC as well. Subsequently, a Joint Operating Committee (JOC) was established to make recommendations to both the ACEP and the EDAC.

- (b) The Economic Defense Intelligence Committee (EDIC). Established originally in August 1952 under the title of the Intelligence Working Group (IWG), the committee's title was changed to EDIC on 26 October 1954 to reflect more accurately the nature of its mission and function. The committee was initiated at the request of the Director of Central Intelligence and the Secretary of Defense. According to its terms of reference, the EDIC was to develop and furnish intelligence to the EDAC for policy making and operations in the economic defense field and develop closer continuous relationships among the operational, policy-formulation and intelligence research elements engaged in the economic defense program.¹ Administratively,

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the EDIC was to serve as a medium of U.S. intelligence support for economic defense activities. Substantively, it was to act as a supplementary service facility for the review, coordination and production of timely intelligence not exclusively within the mission or responsibilities of any existing agency or interagency group. The EDIC was made up of full members from CIA and the intelligence components of State, Army, Navy and Air Force and of associate members from the Office of the Secretary of Defense, Commerce, Treasury and other elements of State. The chairmanship, the executive secretary and the secretariat were furnished by CIA.¹

- (c) The Diversion Control Net (DCN), consisting of representatives from CIA, State, Defense, Commerce, Treasury and Foreign Operations Agency (FOA), which began operations in January 1954, was established by the EDAC to coordinate intelligence support with the efforts of action agencies in preventing the diversion of strategic materials to the Soviet Bloc.

¹Ibid.

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Intelligence for Export-Control Operations.

The enforcement of export controls had been a continuing concern of the U.S. Government and intelligence support had been a basic requirement for this effort. Intelligence about foreign buyers was needed to establish their legitimate needs. ORR provided evaluated intelligence on a limited basis, [REDACTED]

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Following the enactment of the Mutual Defense Assistance Control Act of 1951, the (Battle Act) and the growing pressure in Western Europe for foreign markets, the need for improving the collection and processing of current intelligence on strategic trade transactions became increasingly urgent. To meet this need the Current Reference Service was established in D/E in the Spring of 1953. This Reference Service included the operation of a central master file of all available strategic trade intelligence material, designed primarily to facilitate detection and analysis of procurement efforts, transactions, and trade movements which constituted evasions of strategic controls.

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Transactions analysis included such tasks as screening, analysis, evaluation, and clearance of intelligence on transactions, shipments and Soviet Bloc procurement efforts involving strategic commodities. Since this operation was supported by the Current Reference Service, it formed the basis for D/E representation on the Diversion Control Net.

Another significant aspect of transactions analysis was the development of procedures for the timely collation, analysis, and clearance of intelligence on strategic trade transactions and for the presentation of the results to action agencies by means of direct flash reporting and by participation in weekly meetings of the Diversion Control Net. Screening of incoming current intelligence materials by transactions analysts resulted in the selection for preliminary investigation of between [] reports of suspect activities per month in 1954 (b)(3) and further selection of approximately [] cases per month (b)(3) deemed worthy of attention by the Diversion Control Net and Foreign Service posts.¹

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During the period from January to August 1954 a great many demands were made on ORR for intelligence support of the economic defense program. Pursuant to NSC directive 152/3, a systematic interagency review of the U.S. master export security list in terms of new and more restricted criteria was begun in early January 1954.

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The following are samples of the intelligence support furnished by ORR during the lengthy COCOM negotiations:

- (a) preparation of intelligence on a wide range of strategic items;
- (b) attendance at meetings, most daily, of the Joint Operating Committee and its informal working groups; and

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(b)(3)The Ebb Tide of Economic Defense Intelligence.

The year 1954, which witnessed such feverish activity at Headquarters [REDACTED] may well be regarded as the flood tide of D/E activities; from here on a noticeable ebb tide was in progress. During the next two years there was a steady decline in the volume of demands levied on ORR for this type of intelligence. The most graphic illustration of this decline could be seen in the case of the EDIC, the principal interagency medium for coordinating economic defense intelligence. During the second half of Fiscal Year 1954 only three cases were initiated compared to 20 during the first six months. The reasons given in the Progress Report of 1954 for this decline were the preoccupation of the customer agencies with the accelerated security list review then in progress, and the levying of fewer

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requests on the EDIC by the EDAC.¹ An additional and a more basic reason was that intelligence within the U.S. Government was not oriented in such a way as to provide quick response to the needs of the economic defense program. As a remedial measure the Report recommended more advanced planning of EDAC intelligence needs through the collaborative efforts of EDIC and the Executive Committee of EDAC.²

During the year ending 30 June 1955, the intelligence support of EDAC operations reached a higher level of volume and quality than ever before, but that support, for the most part, was provided directly by the agencies primarily responsible for the intelligence required, rather than through the EDIC.³ The Annual Report for that year stated that throughout the year there had been an "increasing tendency for the economic defense community to deal with individual intelligence components."⁴

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The logical explanation for this development would appear to be the leavening effects of DCID 15/1. The beneficial effects of this directive with respect to the operations of the EIC have already been pointed out. In similar fashion the EDIC activities were, apparently, being affected by DCID 15/1. Paper walls were being torn apart and representatives of the economic defense community were by-passing the EDIC and were going directly to the various intelligence agencies in search of solutions for their problems. D/E, no less than EDIC, was being adversely affected by this direct approach. Quite possibly, too, the cooling off period, following the death of Stalin and the end of the Korean War, affected economic defense activities in general, in much the same manner as it affected the specific question of Chinese Communist trade and transport which, for a time, had been a highly controversial issue

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Another factor which may have contributed to the decline of economic defense activities of ORR was the doctrinaire approach of D/E personnel to East-West trade as opposed to the more realistic approach of their opposite numbers in the Department of State. Quite legitimately,

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national security considerations, as enunciated in the Battle Act and elsewhere, loomed large in the thinking of D/E economists on the problem of trade relations between Free World countries and the Sino-Soviet Bloc. The law of the land was, of course, no less binding on Department of State economists, but circumstances were such by the mid-1950's that compromises had to be made with respect to East-West trade policy. It was during this period that many of the allies of the United States, especially, the NATO nations were demanding a relaxation of the restrictions on trade with the Bloc countries.¹ On this vital issue there was considerable divergence of opinion within the U.S. intelligence community. On one side was the Department of State generally supported by ICA, advocating a trade policy calculated to accommodate as many as possible of the demands of the NATO nations. On the other side were the Departments of Defense and Commerce, aided and abetted by D/E economists, adhering to a strict construction of the Battle Act. Within ORR itself there was divided opinion on this subject, and economists in the ERA were reluctant to become involved in the crusading

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campaign being waged by the D/E on the subject of East-West trade.¹ In a situation such as this it is not at all inconceivable that State and ICA may have been reluctant to seek economic assistance from the D/E.

As time went on the EDIC was becoming progressively more of an anachronism. The EDIC Annual Progress Report for the year ending 30 June 1957, noted that "for reasons of operational necessity and in accordance with primary production responsibilities for various fields of economic intelligence allocated by DCID 15/1 the responsible individual intelligence agencies have made their respective contributions directly to the EDAC community. In this manner substantial intelligence support was given by the IAC agencies represented on the EDIC, even though the EDIC itself undertook relatively few assignments."²

¹The evidence for this paragraph is based on interviews with ORR economists who were intimately involved in economic defense problems during the mid-1950's, especially with [redacted] currently (March 1962) Chief of the Services Division of the ERA. According to [redacted] the D/E, prior to its dissolution, was coming to be regarded by ERA economists as a place where the Departments of Defense and Commerce could go for information with which to bedevil the Department of State. [redacted] also stated that this factor plus the personal, emotional involvement of the D/E in economic defense matters were prominent considerations leading to the decision to disband that Division.

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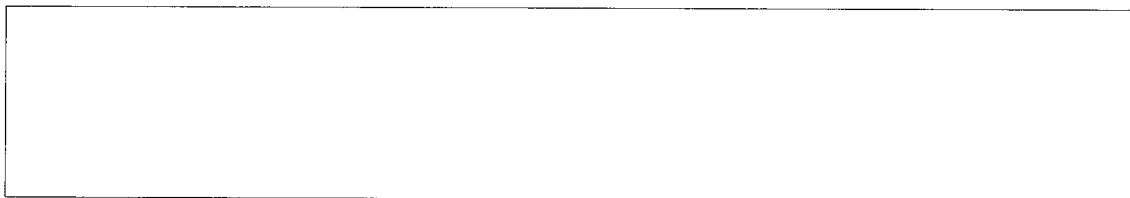
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This was indeed a most ingenious method of claiming accomplishments for an intelligence support medium that was already at death's door. However faint the sparks of life still remaining, they were obviously encouraging enough for the writer of the Report to entertain the hope that the EDIC, like the Phoenix of legend, would somehow rise in youthful freshness from its own ashes, and make "significant contributions" toward either a U.S. Government review of multilateral trade control policies then in progress, or toward COCOM negotiations scheduled to take place in the Fall of 1957.¹

In September 1958 the EDIC submitted its sixth and final annual Progress Report. A summary listing in that report of the documents and studies issued between 1952 and 1958 indicated that the EDIC, despite its many handicaps, had made significant intelligence contributions toward the economic defense program. Following are the titles of some of the studies published during that period:

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¹Ibid.

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[REDACTED] In addition the EDIC had been responsible for a number of important innovations. It was primarily due to a recommendation by the EDIC that the Strategic Trade Branch in ORR was established.² Partly as a result of information developed at a Propellants Seminar, 13-14 June 1956, conducted under the auspices of an EDIC Working Group on Propellants and Fuel Additives, the EDIC was successful in placing boron on the international embargo list in October 1956.³

The inevitable could now no longer be overlooked. The tendency--first noticeable in the latter half of Fiscal Year 1954--of the economic defense community to go directly to the individual intelligence agencies with its problems, though regarded at the time as a temporary expedient, had actually become standard operating procedure. The result was that with each passing year fewer and fewer demands were being made for the services of the

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EDIC. It was this situation which finally prompted the EDIC members in 1958 to recommend to the IAC that "EDIC be dissolved as a subcommittee of the IAC and that it be established as a subcommittee of the EIC."¹ The USIB (IAC) approved this recommendation at a meeting on 14 October 1958.²

With the dissolution of the EDIC, economic defense intelligence as a separate, identifiable entity in the ORR scheme of operations had also ended. It has already been indicated that when the Coordination Staff was abolished in 1957 the Economic Defense Division had been reconstituted as the Trade Control Branch of the Services Division, Economic Research Area. With the persistent decline in the demand for economic defense intelligence the Trade Control Branch was subsequently disbanded, and was replaced by an Economic Defense Support Staff, whose T/O of [] people represented a drastic reduction from the former Branch's T/O of [] In accordance with the recommendations in the Sixth Annual Progress Report of the EDIC, a subcommittee on Economic Defense was established in the EIC.

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The AD's Immediate Office.

The AD's immediate office included a few key individuals and staffs whose functions were such that they provided the AD and ORR offices generally with a variety of aids in fulfilling ORR's research missions and related activities. In 1953 the office consisted of an Executive Officer, a Special Assistant and the three staffs--Intel-

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ligence Information, Projects Control and Administrative.¹

Until 1956 when his responsibilities were taken over by the Chief of the Administrative Staff (ST/A), the Executive Officer served as ORR Training Liaison Officer, Security Officer, and represented ORR on the Executive Committee of the Intelligence Production Career Service Board. He also had responsibility for providing broad staff support to the AD in the general field of office administration and management policy.²

Since its establishment in 1953 the Special Assistant to the AD had been responsible for coordinating:

(a) All ORR overseas activities.

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(c) Automatic data processing activities involving ORR materials.

¹Because of the Office-wide nature of its services, the Publications Staff (ST/P) of ORR will also be discussed in this section rather than in the one dealing with the ERA, where the ST/P had been located prior to its removal to the AD chain of command in 1959.

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In 1956 the position of Deputy Assistant Director, Research and Reports (DAD/RR) was added; theretofore the Chief of the Economic Research Area (ERA) had been serving in that role on an informal basis since May 1953. In addition to serving as the alter ego for the AD/RR the DAD was given the following responsibilities:

- (a) Economic defense activities.
- (b) Vice-Chairman of the EIC.
- (c) Coordination of intelligence responsibilities of ORR with those of other CIA offices.
- (d) Administration of special high-level projects.
- (e) Where appropriate, special assignments with other Federal agencies and departments.

Intelligence Information Staff.

In the 1953 reorganization of ORR offices, the Requirements Control Staff was reconstituted as the Intelligence Information Staff (ST/I). Thereafter ST/I was responsible for formulating and coordinating field collection requirements; providing general collection guidance by representing ORR or CIA on appropriate (IAC) USIB committees concerned with aspects of information collection and use; assuring the procurement, routing and distribution of incoming documentary information and

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providing continuing staff support to the AD/RR on policy and procedural matters related to these responsibilities.¹

The work of the Staff was divided among three branches--Requirements, Documents, Special Projects Control. The Requirements Branch was charged with responsibility for processing ORR collection requirements and evaluations of field reports; [redacted] (b)(1)
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[redacted] and for providing support for economic reporting from Department of State Missions in the Soviet Bloc. Periodically, the Requirements Branch produced short statements of intelligence gaps and more elaborate publications called Collection Guides, both of them specifically designed to assist the DD/P Case Officer in the formulation of his collection efforts. Briefings and debriefings--the former to bring to the attention of field-bound personnel [redacted] (b)(1)
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[redacted] ORR's needs and the latter to elicit from returnees from overseas posts all the pertinent information possible--also loomed large among the responsibilities of the Requirements Branch.

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The principal unit in the Documents Branch, the ORR Reading Panel, was established in order to provide proper routing of all incoming intelligence information. All documents dealing with Sino-Soviet Bloc economics, [redacted] and foreign geography were forwarded from OCR to the ORR Reading Panel, where they were read carefully and routed to various ORR branches and, when appropriate, to individual specialists within the various branches. The Reading Panel was also charged with responsibility for controlling and processing TOP SECRET and other sensitive documents requiring special handling.

Finally, the Special Projects Control Branch was assigned the responsibility for [redacted] requirements, policy recommendations and implementation with respect to ORR interests in certain particularly sensitive Agency collection projects. In the execution of these responsibilities the Special Projects Control Branch served as the focal point for ORR transactions and relationships

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concerning highly classified and specialized collection projects, including:

- (a) guiding and assisting in the preparation of special requirements for substantive exploitation of these projects;
- (b) preparing policy support or exploratory papers;
- (c) conducting required liaison with CIA and other IAC (USIB) components;
- (d) devising "sanitization" methods to assure maximum availability and use of materials and information by all ORR research analysts; and
- (e) providing guidance to cleared personnel in the production of intelligence reports based on such material.¹

The responsibilities of the Projects Control Staff consisted in providing advice on the status of intelligence production within ORR; the maintenance of production records and insuring that dissemination of finished intelligence produced by ORR and the EIC conformed with specified regulations and policies. In a subsequent reorgani-

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zation the functions of this staff were taken over by the Planning and Review Staff of the ERA. In 1959 responsibility for most of these control functions reverted once more to the OAD when the Publications Staff (ST/P) was moved up under the AD/RR from the ERA. A Control Section established in ST/P, at the time of the transfer, assumed responsibility for these control functions, leaving little more than bookkeeping chores to a vestigial Planning and Review Staff in ERA.

The Administrative Staff.

From the OAD/RR down to the sectional work units, ORR has traditionally relied on its Administrative Staff (ST/A) for a variety of support services. Specifically ST/A was charged with the mission of providing advice, assistance and staff support to the AD/RR and to all ORR components and activities in the field of administration and management, and for liaison between ORR and other Agency offices on administrative management matters. These included budget, accounting, personnel, services, training, records management, travel, security, and other related activities as directed by the AD/RR.¹

¹Ibid.

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In fulfilling its assigned mission ST/A has been charged with responsibility to:

- (1) Develop, recommend, and implement plans, programs, and procedures designed to improve management and efficiency in ORR.
- (2) Conduct studies of organization, functions, record systems, methods and procedures, and recommend improvements resulting therefrom.
- (3) Develop and foster the ORR records management program.
- (4) Coordinate with the ORR operating and staff components and with the Office of Personnel, the recruitment and placement of all types of personnel essential to the needs of the office; provide employee counselling; prepare cases for the ORR Career Service Board review; and coordinate personnel matters with other Agency offices, as appropriate.
- (5) Apprise ORR personnel of available internal and external training; develop courses to meet specific requirements; and process and review for approval training requests.

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- (6) Develop and prepare ORR budgetary submittals and reports, and maintain necessary budgetary and fiscal records, information and statistical data, and provide advice and guidance to supervisory personnel on budget and fiscal matters as appropriate.
- (7) Arrange for and coordinate the processing of ORR personnel for both foreign and domestic travel; insure proper accounting for the funds and transportation provided the travelers; and prepare, or review and approve, travel orders and travel vouchers.
- (8) Develop and coordinate plans, policies, and procedures for the execution of ORR's security program, including Special Intelligence clearance.¹

The following samples taken at random from ORR files will give the reader some idea of the multifarious record-keeping tasks performed by ST/A. During Fiscal Year 1954 (b)(3) when ORR had an average of personnel on duty, (b)(3) man hours (5.7 per cent of the total available) were

¹Ibid., Secret.

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devoted to training. In internal courses alone, during that year, [] ORR employers received training in subjects (b)(3) such as: the Russian language (familiarization, economic scientific and technical); physical and economic geography of the USSR; economic research methods; and the ORR orientation program.¹ In addition to the training provided for its own personnel, ORR furnished a great deal of support to the Agency Training program and this in turn entailed considerable coordination, scheduling, and accounting on the part of ST/A. During the 16 month period from 1 January 1956 to 26 April 1957 practically every component of ORR furnished support to the Office of Training. (b)(3) In all a total of [] hours (over [] man years) were (b)(3) devoted to Training during that period, including [] (b)(3) hours spent in preparing for and delivering 51 lectures at 12 different courses.² Outside training for ORR personnel, whether at other Federal agencies, service schools or at domestic and foreign universities and research

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institutes, entailed added responsibilities for ST/A in the form of coordination, travel orders, expense accounts, progress reports, etc. Apropos ST/A's responsibility for travel records it should be noted that during calendar year 1957 a total of [] travel orders were issued in ORR and [] of these were prepared by ST/A.

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Reorganization of ST/A.

During the four-year period following the September 1955 reorganization of ORR offices only minor changes had been effected in the ST/A. During that same period ST/A's responsibilities had changed materially, particularly with respect to personnel, training, management and budget affairs. These changes, in turn, called for a considerably broader scope of professional administrative knowledge, experience and ability than was heretofore required. To meet this need the AD/RR in August 1957 submitted to the DD/S proposals for major changes in the ST/A. Following is a summary of the AD's assessment of ST/A's status and the recommendations he made for improvement of same.¹

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The responsibilities of the Chief, ST/A had been greatly expanded in the Spring of 1956 when, in addition to his own duties, he inherited those previously performed by the Executive Officer.¹ As already indicated these additional responsibilities comprised training, liaison, security, ORR representation on the Executive Committee of the Career Service Board, and the provision of broad staff support to the AD in the general field of office administration and management policy. The AD/RR accordingly recommended that the position of Chief, ST/A be upgraded from GS-14 to GS-15 and that the position of Deputy Chief be advanced from GS-13 to GS-14.

Similarly in the case of training and services, responsibilities changed considerably after 1953. These two functions had then been assigned to one position (administrative officer, GS-11) as it was felt that neither would demand a full-time position. Subsequent adoption by the Agency of a new major program of career development and training and additional responsibilities

¹In August 1957 when the AD/RR submitted his reorganization proposals for ST/A, steps were being taken to eliminate the position of Intelligence Officer (Executive) from ORR and to transfer its ceiling to the DD/I.

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relative to detailed space planning and requirements for specialized equipment had greatly increased the work load of this position. Thus it was no longer possible to provide effective support for career development and training within the existing organization of the ST/A. On the basis of known and projected work loads it was recommended that the Training and Services Officer should henceforth be relieved of the responsibility for services and assume, instead, responsibility for administrative support to the career development program of the Agency and ORR. Such a position, to be designated Career Support Officer (GS-12), would permit one professional person to devote full time and attention to career development and the requirements of ORR's training program. Since career development within ORR was an integral part of personnel management, it was further recommended that these two activities should be consolidated in a single section of the ST/A, with the Personnel Officer having primary responsibility for the consolidated section. Commensurate with the addition of these new responsibilities, the AD/RR recommended that the position of Personnel Officer be upgraded from GS-11 to GS-13.

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In accordance with its assigned responsibilities the Budget and Fiscal Sections of the ST/A was required to provide budgetary, fiscal, financial and travel (both foreign and domestic) support and coordination for ORR with Agency components having primary responsibility for these functions. Effective 1 July 1955, the Agency's fiscal and financial responsibilities had been decentralized. Henceforth ORR was to be responsible for the maintenance of the official record of obligations for all unvouchered funds allotted to ORR, as well as control and administration of ORR responsibilities under Agency Property Authorization procedures. Furthermore, beginning in Fiscal Year 1955 ST/A's budget personnel were required to submit an Operating Budget as well as the Preliminary Estimates and Office Estimates. Prepared in the latter part of each fiscal year, this Operating Budget represented a current estimate of ORR's financial requirements, the accuracy and importance of which were self-evident. With respect to this added work load and increased responsibilities it was recommended that the Budget Officer and his Deputy be upgraded respectively from GS-11 and GS-7 to GS-12 and GS-9.¹

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This proposed reorganization, which was approved as submitted, resulted in an ST/A with a T/O of [] divided into three sections--Personnel and Training; Budget and Fiscal; and Records Management and Services. In a subsequent reorganization the latter two sections were consolidated in a single section--Budget and Services.

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ORR Publications Staff.

When all the available facts and figures were placed in the hands of the ORR researchers and when these facts and figures were analyzed, refined, collated and assembled in narrative form the intelligence production process was by no means complete for there still remained the very necessary, though generally disliked, editorial ministrations of the Publications Staff (ST/P). Like the inspector responsible for quality control in industry, ST/P stood "at the end of the production line,"¹ forming the last link in the intelligence production chain and fulfilling the thankless task of the literary watchdog. The role of the professional in ST/P was regarded as analogous to that of the plastic surgeon since both of them performed

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face-lifting operations. It was the responsibility of the professional editor to take the draft report--often times battered and broken from its ordeal with the researcher--and mend the malapropisms, burnish the style, smooth over the literary wrinkles and perform a host of ancillary functions, all designed to make bad reporting good and good reporting better.

Despite the significance of its operations to ORR generally, the ST/P did not experience any spectacular advancement in the ORR organizational hierarchy, and it was only in recent years that it acquired a status commensurate with the important responsibilities it performed. Beginning in 1951 the publications component of the newly formed ORR was called the Review and Publications Branch of the Reports Division. When the Reports Division was disbanded in 1953 its Review and Publications Branch became the Publications Staff of the Economic Research Area. Finally in 1959, after a lengthy apprenticeship at the divisional and area levels, the Publications Staff was moved to AD's immediate office, and recognized as an office component.

The mission and functions of the ST/P have remained essentially the same since 1951 except for an extension

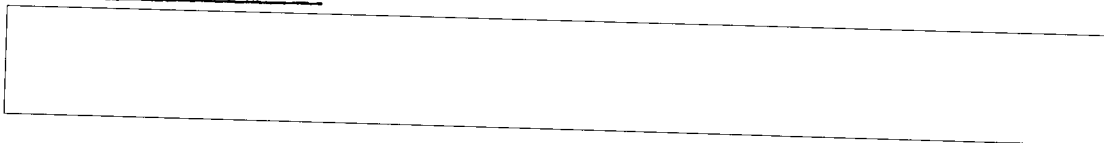
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of its responsibilities as it has moved successively from the level of an area staff to an office staff. The principal organizational changes effected since 1951 included the establishment of three specialized sections in addition to the original General Section. These new sections were--the Accounts Section (ST/P/A) set up in 1956 and the Control Section (ST/P/C) and the Geographic Section (ST/P/G), both established in 1959. For practical purposes the General Section was actually subdivided into an Editing and Review Section and a Production Section.

In accordance with its assigned mission ST/P was responsible for providing assistance on an all-source basis throughout ORR in the preparation of manuscript material; for reviewing and editing approved manuscripts, including pre-publication review for statistical accuracy; for arranging publication of intelligence reports emanating from the producing components of ORR; for editing and publishing other reports and papers as directed by the AD/RR; maintenance of office production records; and control of dissemination and sanitization of intelligence published by ORR.¹



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The condition of the submitted draft was the determining factor with respect to ST/P editorial treatment. All reports whether rated as good or bad required what was known as "minimum editing" while the worst reports (substantively, organizationally or stylistically) received "maximum editing." Besides correcting bad grammar as a matter of course and improving the syntax where time permitted, minimum editing also included spelling, capitalization, italics, representation of numbers, idiomatic expressions, improprieties, vulgarisms, choice and use of diction and a whole host of stylistic elements that vitally effect the level of the finished product. This entire process merely to make a piece of writing acceptable was also called "leveling," the barest minimum that had to be accomplished in all draft reports. "Maximum editing," on the other hand, could result in complete reorganization, a complete reworking of the methodological approach, and at least a partial rewriting of paragraphs and sections of the draft report.¹

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As indicated in the stated mission, editing per se was only one phase of ST/P's responsibilities; others included:

- (a) Coordination. In November 1956 ST/P assumed responsibility as the NIS Coordinator for the Economic Research Area (ERA). Integrated in the ERA contributions toward Chapter VI (economics) of the NIS were subcontributions from other CIA offices, notable OSI and from the Military Services. Prime examples of these latter were the contributions on construction materials, motor vehicles, and telecommunications equipment. One of the senior editors of the ST/P's General Section, who had been assigned this NIS work, spent a major portion of his time coordinating, reviewing, correcting and editing these contributions. In addition this editor maintained liaison with the Office of Basic Intelligence (OBI) and with all other agencies and offices participating in the production of NIS Chapters I and VI. He was also responsible for representing ORR in the drafting of the NIS schedule and he worked closely with

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- OBI in the development of NIS outlines and standards. With respect to intra ORR coordination ST/P insured that each project had been coordinated with interested components at all levels of responsibility. Other aspects of coordination included: (1) phasing of production of graphs to coincide with completion of the editorial process and phasing both of these to insure prompt treatment at the reproduction plant. (2) maintaining constant liaison with the Cartography Division of GRA and with the Printing Services Division of the Office of Logistics to insure that the final products would meet a high standard of quality.
- (b) Statistical Data. Since the intelligence community was vitally interested in the quantitative as well as the qualitative aspects of the Sino-Soviet Bloc economy, correct statistics in ORR reporting were important factors. A major step therefore, in the editorial processing of ORR reports, was a careful review and analysis of all methodologies and statistical presentation (tabular, textual, and graphic). Estimates

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involving cost-of-living and rate-of-growth indexes, input and output relationships and multiple correlations were presented in a form that was clear to the general reader. ST/P/A not only provided this kind of final review but also assisted the analysts with his statistical problems at any stage of his report from the initial selection and rounding of data to the most sophisticated procedures in econometrics. To insure that all ORR estimates were consistent and that statistical discipline was maintained, ST/P/A kept an Estimate File of all estimates, and the data in every new report was reconciled with the Estimates File before release for publication. In addition ST/P/A published the Briefing Handbook of Selected Economic Data three times a year as a current summary of the most significant estimates in the Estimates File for the use of the AD/RR, the DD/I, and other administrators who needed authoritative data on short notice. Finally, ST/P/A published annually the Economic Intelligence Statistical

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Handbook for the general use of the intelligence community.¹

- (c) Control Activities. The Chief of the Control Section (ST/P/C) scanned reports for various aspects of security and for proper classification and prepared the dissemination list after consultation with the producing division and after ascertaining the wishes of the Chief, ERA and the AD/RR. The Chief, ST/P/C also directed the sanitizing copies of reports and other items that were released to foreign governments and other special recipients.

The Special Case of the Geographic Section of ST/P.

The Geographic Section (ST/P/G) consisting of a Chief, one other senior editor and a publications typist, was virtually a separate unit and was located in another building. In May 1959, ST/P/G as a unit was transferred to ST/P from the Geographic Division (D/GG) where it had been operating continuously as the Editing and Review Staff since 1947. The work of the geography editors

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differed markedly from that of the economic editors largely because of the special role the D/GG performed within the Agency and also because of the historical development of editorial and reviewing functions within the GRA. The basic research of the D/GG was scheduled in advance. A large proportion of the reports issued by D/GG, however, were not scheduled in advance, but were in response to specific requests for information of a high priority nature and were for limited distribution. Much of the editing load involved reports that were requested, written, edited and issued within a single month. Although many of these reports could well have been classified as "formal," formal reproduction of them by photolith or multilith, often was not practical because of time limitations and the small number of recipients particularly in regard to reports for operational use. Reports of this type, therefore, were frequently reproduced by the ditto process within D/GG, and it was this process which was generally used for issuing the most valuable publications from the point of view of current intelligence.

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Liaison between ST/P proper and ST/P/G was provided by the Deputy Chief, ST/P. The Chief ST/P/G, who was a professional geographer, provided technical and substantive guidance to analysts at all stages of their work, from the drafting of the original project proposal through the preparation of the working outline to the approval of the finished report. In addition both senior editors in ST/P/G served as consultants to the cartographers of the Cartography Division, (D/GC) in the formulation of map legends, review maps produced by D/G/C; they also provided editorial assistance to the Map Library, and, as time permitted, to the Office of Geographer, of the Department of State.¹

Exclusive of GRA reports, ST/P during the period from 1 January 1951 to 30 June 1961 received 1,366 ORR reports for editing and subsequently sent 1,306 of these to reproduction. In an undertaking of this magnitude the potential for hurt feelings and wounded pride on the part of the producing analysts was great indeed. Despite the occupational hazards ST/P editors had during this

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²Ibid., Secret.

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decade, established very satisfactory rapport with ORR researchers. This rapport was due in great part to persistent efforts of ST/P personnel "to avoid any taint of unreasonableness and any semblance of fussiness and nitpicking."¹ Their ultimate objective was to suffuse the analysts' reports with such qualities as "correctness, clearness, conciseness and consistency," qualities calculated to achieve the proper purpose and create the desired effect.

The Economic Research Area.

At the University of Cincinnati on 20 April 1956 Allen W. Dulles delivered a public address in which he stated that as DCI he had "the problem of gathering together from all intelligence sources available, both here and abroad, the facts and figures on the Soviet economy and thus getting the most competent experts available, in and out of government, not only those in CIA itself; to examine and analyze these facts and figures."² Had it not been for security restrictions, Dulles could have told

¹Ibid., Secret.

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his audience that so far as CIA's research on the "Soviet economy" was concerned most of the work was actually being performed by the Economic Research Area (ERA) of ORR. In view of the vital significance of economic intelligence on the Sino-Soviet Bloc to the national security of the United States it is scarcely an exaggeration to state that ERA/ORR was one of the key research centers within CIA.

The Chain of Command in ERA.

At the beginning of 1953 the ERA consisted exclusively of seven divisions. In the course of reorganizations during 1953 and 1954 the seven divisions were reduced to four and three staffs were added, the latter having been established in the ERA for the first time in the spring of 1953. By 1956 ERA had as many as four staffs, but subsequent reorganizations cut this number in half. The end result of these various reorganizations was that by December 1960 ERA was composed of the office of the Chief/ERA, two staffs--Current Support, and Planning and Review, and four divisions--Analysis, Industrial, Materials, and Services. In the face of these many experiments during the 1953-1961 period to find a satisfactory division of labor, the basic structure of the ERA remained practically

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unchanged. Of the six components mentioned above, all of them have functioned continuously since 1953 with the exception of the Current Support Staff which was established in 1956.

Of the two ERA staffs, the Planning and Review Staff operated as a unit, and as its title implies, it was responsible for the planning, coordination, supervision and review of the economic intelligence research projects; recommendations to the Chief/ERA on professional personnel; staffing problems and for providing him with general executive staff support.¹

The Current Support Staff was unique not only because of the functions it performed but also because, instead of being just another specialization-type development, so much a feature of the evolutionary process in Federal work units, it represented a synthesis of similar functions, formerly administered by two separate offices--the Office of Current Intelligence (OCI) and ORR. The match-maker in this happy and fruitful marriage, was the DD/I who, seeking to prevent unnecessary duplication in the production of current economic intelligence on

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the Sino-Soviet Bloc, had directed in the Spring of 1955, that a substantial part of the Economic Division under the Soviet Staff of OCI be combined with a current support group, then operating in ORR on an ad hoc basis.¹ By the end of May 1955 negotiations between OCI and ORR were completed and the Current Support Staff was duly activated on a six-month trial basis. Under the direction of the Chief/ERA the two staffs were to operate as one unit in order to provide the most effective current economic intelligence on the Sino-Soviet Bloc in fulfilling the requirements of OCI, ORR, CIA and the intelligence community generally.² During the trial period an Economic Advisory Group, under the administration of OCI, was to be responsible for placing day-to-day requirements upon the staff and for providing it with guidance.³ In particular the Chief of the Economic Advisory Group was to coordinate and integrate economic intelligence on the Sino-Soviet Bloc for inclusion in OCI publications, OCI-sponsored briefings and National Indications Center (NIC) support.

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³Ibid.

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In the course of the trial period ending in October 1955, the Current Support Staff produced 67 articles for inclusion in OCI publications, published 5 current support memoranda, and prepared concurrences in 41 other current intelligence articles.¹ An assessment of the situation indicated that the venture had proved to be very successful. Accordingly in the spring of 1956 the two staffs and the Economic Advisory Group of OCI were transformed into a single unit and formally established as a permanent staff in the ERA of ORR.²

As organized in December 1960 the Current Support Staff was subdivided into four sections. Three of these were concerned respectively with internal economic problems in the European Satellites, the China-Asia Satellites, and the Soviet Union, while the remaining section dealt with the foreign economic relations of the entire Sino-Soviet Bloc. The mission decreed for the Staff entailed collaboration with other ORR divisions and staffs for the

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production and coordination of all-source current economic intelligence pertaining both to the Sino-Soviet Bloc and Free World areas, as appropriate, in support of ORR's responsibilities to other components of the Agency and the intelligence community. A further responsibility was that of providing assurance that current intelligence prepared within ORR or referred to ORR for coordination and review was consistent with ORR's latest research.

In fulfilling its mission the Current Support Staff was obliged to perform a variety of functions, including:

- (a) Formulate, recommend and coordinate ORR's current economic intelligence program.
- (b) Review promptly all information pertinent to ORR for possible indications significance and current intelligence value.
- (c) Provide liaison and work closely with OCI in fulfilling ORR's responsibility for current economic intelligence support.
- (d) Prepare pertinent current economic intelligence for use by the IAC (USIB) Watch Committee, for briefings of the National Security Council and for publication in OCI media.

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- (e) Provide for ORR representation on the OCI publication boards and the CIA Indications Board, and to provide economic advisers to the CIA representative on the IAC (USIB) Watch Committee.¹

The four divisions of the ERA (Analysis, Industrial, Materials and Services) were broken down into branches and these branches, with the lone exception of the Producers Equipment Branch of the Industrial Division, were further subdivided into sections. In all there were 19 branches and 62 sections. With the exception of the Analysis Division, the branches were organized on a functional basis. With respect to the Analysis Division's four branches, there was one functional branch--Manpower and Management, and three regional branches--USSR, Far East, and European Satellites. At the sectional level a rather heterogeneous pattern prevailed, with some sections being exclusively regional, some exclusively functional, while still others were partly regional and partly functional.

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The four divisions had much in common in that each was responsible for producing all-source economic intelligence on the Sino-Soviet Bloc. Each division, in its specialized capacity, was responsible for the coordination of intelligence production within the U.S. Government and for providing contributions to national intelligence estimates, reports of IAC (USIB) committees and National Intelligence Surveys.¹ In addition to these common approaches, each division was assigned a special mission in pursuance of which research was concentrated on clearly defined aspects of the Sino-Soviet Bloc economy, as follows.

The Analysis Division, in collaboration with other ORR divisions, was responsible for producing aggregative-type economic intelligence which comprised such items as economic growth, planning and administration; economic accounts, budgetary, fiscal and pricing studies, domestic trade and financing, consumer welfare, human resources, wages, salaries and productivity studies and economic organization and management. In the Industrial Division

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the research emphasis was on the engineering or metal-working industries, light industry (excluding processed food), and military programs and industries. Specifically these industries included: land armaments and ammunition, aircraft, shipbuilding, guided missiles, transportation equipment, electrical and electronic equipment, machine building and consumer goods (excluding food). The Materials Division handled strategic raw materials, certain semi-finished and finished commodities (either derived from or related to these strategic materials), as well as allied processes. Included among these materials, commodities and processes were: solid fuels and coal gas, petroleum and petroleum products, nuclear energy, electric power, chemicals, metals and minerals, agricultural products, and food processing. Finally the Services Division was responsible for intelligence on the services sector of the Sino-Soviet Bloc economy and on the Bloc's trade and other relations with Free World countries.¹ With

¹One special feature of the organization of the Services Division was that in addition to the branch and sectional components comparable to the other three ERA divisions, it also had a staff--the Economic Defense Support Staff. This staff was a vestigial remnant of what was formerly the Economic Defense Division of the Coordination Area of

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respect to the services sector of the Bloc economy, research was concentrated on international trade, transportation, communications, construction of fixed installations, the production of construction materials, and civil defense activities. In the case of the Bloc's trade and other relations with Free World countries the Division was charged with responsibility for providing intelligence on:

- (a) Sino-Soviet Bloc economic relations with Free World countries;
- (b) The strategic trade of the Sino-Soviet Bloc;
- (c) The development and application of export controls and ancillary economic defense measures against the Sino-Soviet Bloc.¹

ORR. With the discontinuance of the Coordination Area in 1957 and the consequent relocation of its components, the Economic Defense Division was transformed into the Trade Controls Branch of the Services Division. Subsequently the T/O and functions of this Branch were drastically reduced and it was reconstituted as the Economic Defense Support Staff. In July 1961 the T/O was composed of about people and functions performed were almost exclusively coordinative in nature.

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The Office of the Chief, ERA.

Supervising this complex research organization was the Chief of ERA. Although provisions had long been in existence in the T/O of ORR for the position of Chief, ERA, it was not until May 1953 that the position was actually filled. The man appointed was Doctor Edward L. Allen, whose qualifications included both academic training and actual experience in economic intelligence.¹

One of the early accomplishments under Allen was the realization of the long-held ideal of all-source intelligence. Until the fall of 1953 the ERA had been producing separate, and oftentimes conflicting, (sometimes simultaneously) reports on the same subject. This anomalous situation had arisen because of an unworkable dichotomy in research procedures wherein all research

¹ During the six-year period prior to his joining CIA, Allen had been acquiring valuable experience in the Department of Defense. As an Air Intelligence Specialist in the U.S. Air Force, 1946-1951, Allen had conducted and directed research on the vulnerability of the Soviet Bloc and Western European economics to air attack; and in 1951-53 he had been a Scientific Warfare Adviser to the Defense Department's Weapons Systems Evaluation Group, where he participated in evaluations of present and future weapons systems.

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published by the former Strategic Division (D/Z) was based on special materials while that of all other divisions was based on collateral information, consisting of all types of intelligence or information derived from any source other than special materials. This confusion and duplication was effectively ended in September 1953 when the D/Z was disbanded and its personnel and prerogatives were redistributed among appropriate units in other divisions. For a time there were difficult working relationships between the D/Z alumni and their new associates in the various ERA divisions, but eventually these were replaced by mutual respect for complementary abilities.¹

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[redacted] The D/Z originated during the early days of ORR when a group of analysts comprising the Strategic Division (D/Z) was acquired from OCI to operate a special materials wing. This Division was never intended to be a permanent one, [redacted] (b)(3)

[redacted] it is stated that "the AD/RR quickly recognized that D/Z should be a transitional organization; that after achieving a certain level of competence in all-source research and reporting, D/Z should be merged with the other divisions." Despite the temporary status initially decreed for the D/Z, its liquidation caused a considerable degree of resentment. This, at least, has been the impression the writer has gained from volunteered statements on this subject by certain ORR or former ORR personnel, some of whom had been members

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~~SECRET~~Researchers and Research Programming

As already indicated, the problem of competent research personnel was a formidable one during the early years of ORR. Within ERA in early 1953 there was a decided imbalance between functional specialists on the one hand, and economists and social science researchers on the other.¹ While these functional specialists were competent within their chosen fields, the fields were generally narrow and the specialists themselves lacked the broad perspective and imaginative daring requisite for first class research undertakings. Beginning in 1953 systematic recruiting programs were initiated in an attempt to correct this imbalance and to attract more proficient research personnel to ERA and other components of ORR. In the following years considerable rapport had been developed between ORR and

of the D/Z. This resentment arose not so much from the fact that the Division had been disbanded but rather from the manner in which it had been accomplished. Allegedly, there had been a high degree of dedication and esprit de corps among the D/Z people, but these vanished with the Division and several of the people affected by the reorganization either resigned or sought employment elsewhere in the Agency.

¹The term "functional specialists" referred to various types of engineers. In early 1953 it was estimated that the ratio between these functional specialists (engineers) and economists and social science researchers was roughly 10 to 1.

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leading universities and colleges throughout the country. For ERA this meant that a continuous source of supply of promising talent in economics and related specialties was assured.¹

Research programming was another problem which needed prompt attention in 1953. Accordingly, the research program for Fiscal Year 1954 was recast with the objective of completing projects on schedule and of devoting as much research time as possible to the development of

¹In the course of an Historical Staff interview with the AD/ORR, Dr. Guthe, on 2 March 1961, special attention was called to this recruitment program. According to Guthe, each year special recruiting teams from ORR visited leading universities and colleges throughout the country. Seniors and graduate students engaged in studies of particular interest to ORR were given thorough briefings on job opportunities available in CIA and especially on the various types of research performed in ORR. Application forms were given to those students expressing an interest in the Agency, and eventually 20% to 25% of these applicants were processed for possible employment. An important innovation that facilitated recruiting activities was a change in Agency policy regarding publication. Beginning in early 1959, ORR was enabled to publish certain unclassified studies for distribution to universities, colleges, and other research centers. Since these unclassified publications carried signed articles, they had the dual effect of providing prospective employees with a better understanding of ORR research activities and of assuring those with writing ability that in certain cases they would be able to publish the results of their research.

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intelligence calculated to be most useful to ORR customers. To this end, therefore, ERA components, with the assistance of the EIC and various members of its subcommittees, made a survey of priority intelligence gaps and customer needs. Beneficial results soon were realized and by the early part of Fiscal Year 1955 approximately two-thirds of the research effort in the ERA was being concentrated on consumer needs.

The Special Position of NIE Responsibilities.

From ORR's beginning the largest proportion of its available research time and effort was concentrated on producing the economic contributions to National Intelligence Estimates (NIE's). As the NIE's were the most authoritative intelligence appraisals within the U.S. Government the economic portions of them required the maximum possible research in depth. Since the final drafts of most NIE's were comparatively brief, ORR published its contributions in detail in order to disseminate them to those who required more than a summary of conclusions.

Correspondence in the spring of 1956 between CIA/ORR and the Department of State/OIR regarding contributions to

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NIE 11-4-56 (Soviet Capabilities and Courses of Action Through 1961) illustrate two important aspects of ORR's activities in support of NIE's. These were:

- (1) The strict interpretation by ORR of its primary responsibilities for economic intelligence on the Bloc where NIE's were concerned, and
- (2) The exhaustive research methods employed by ORR to provide the NIE's with the best possible economic intelligence.

With respect to NIE 11-4-56, OIR had, in accordance with paragraph b of DCID 15/1, a legitimate right to submit a contribution, and duly did so. Constituting an integral part of this contribution was an estimate of the Soviet Gross National Product (GNP), an activity which fell clearly within the primary responsibility of ORR. Accordingly, ORR took exception to the usurpation of its prerogatives by OIR and especially so since the latter's GNP estimate was different from one prepared in ORR, and OIR had made no effort to reconcile these differences before submitting its contribution.

In airing its views on the contribution to NIE 11-4-56, ORR was in reality pursuing a sustained effort to establish between itself and OIR a working relationship on Soviet

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GNP estimates similar to the one then existing between itself and the Service agencies with respect to Soviet military estimates. While the various departments of the Department of Defense had primary responsibility for the production of military economic intelligence on all countries including the Bloc, ORR supplemented this production by conducting such independent analyses and studies as were necessary to produce integrated economic intelligence on the Bloc. In a letter to Allen Evans, Chief, OIR, on 15 March 1956, Dr. Guthe pointed out that ORR took special steps to discuss its research on military subjects with the appropriate Service agency and to make available the results of such supplementary research to the agency involved.¹ Thus while ORR would not, as a matter of policy, submit estimates on Soviet military production that were at variance with those submitted by the appropriate Service agency, it felt free to question such estimates if it had what was considered to be "substantial evidence" of truly significant error in those estimates.² In doing this, Guthe claimed that ORR had

²Ibid.

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obviated the need for questioning, at the ONE level, the military production estimates submitted by the Services in their contributions to NIE's.

In brief, ORR's ultimate objective was:

- (a) That OIR should fulfill the same critical, supplementary role with respect to Soviet GNP estimates as ORR fulfilled with regard to Soviet military estimates, and
- (b) That the Soviet GNP estimate itself should be a single integrated one, submitted by the Agency (CIA/ORR) having primary responsibility for such an undertaking.

As a result of the failure of OIR to follow a procedure such as the foregoing in the preparation of the GNP portion of its contribution to NIE 11-4-56, ONE would be faced with the difficulty of trying to "resolve two different GNP estimates calculated on different bases and in different ways."¹ On 20 April 1956 Dr. Guthe called this regrettable situation to OIR's attention and also explained that the methodology employed by ORR

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economists in preparing the Soviet GNP estimate for NIE 11-4-56 included such factors as detailed studies of the Soviet Budget and of ruble transactions in 1951 and 1953; comprehensive review and revision of a [] ruble-dollar ratio study; and careful study of the research of others on the subject including that of Professor Abram Bergson of Harvard University on which OIR's estimate was based.

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In comparing and contrasting the methodology employed by OIR and ORR, Guthe stressed four main points.

- (1) Price Base--ORR had used a 1953 price base and, other considerations aside, a price base as near as possible to the period under consideration had obvious advantages in that divergent sector price movements were minimized. OIR, on the other hand, had used a 1948 price base which was unrepresentative because of the sharply divergent relative price changes which occurred in subsequent years. Furthermore the price level for consumer goods fell by some 50 percent by 1953, while the price of investment goods rose by about 18 percent. Finally subsidies to industry were prevalent in 1948.¹

¹Ibid., Secret.

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- (2) The Framework of the Accounts--The ORR estimate was cast in the form of double entry accounts for each of three major sectors of the Soviet economy--households, enterprises and government--thus permitting a maximum check on the consistency of the transactions since each transaction appeared twice or more and was balanced in two or more accounts. By contrast the Bergson-OIR procedure estimated investment as a residual between government and enterprise receipts and expenditures. Since this procedure accounted explicitly for nearly all government revenues but not for a considerable portion of outlays, a number of non-investment expenditures were assumed to be investment outlays. In addition the heavy subsidies to industry in 1948 were estimated intuitively and were lumped under investment. The Bergson-OIR method, not having been a double entry account, made no provision for a check on the overestimate of investment.
- (3) Dollar Conversion--The ORR dollar conversion was based on the detailed and comprehensive ruble-

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dollar price comparison, [REDACTED]

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[REDACTED] which had been extended and revised in a major internal project in ORR. No comparable research on 1948 ruble-dollar ratios had been undertaken. The procedure established by the Organization for European Economic Cooperation (OEEC), for international comparisons of western countries was the model for ORR's exploitation of the ruble-dollar ratios. In this way ORR priced both the U.S. and the USSR in both dollar prices and ruble prices, thereby obtaining two comparisons, which in turn were averaged. The OIR calculation carried out the comparison in dollars only.

- (4) Data Availability--The USSR had greatly expanded its volume of published statistics in 1953. Accordingly such aspects of the USSR economy as agricultural incomes, bank credit, expenditures for personal services, and the division of retail sales between individual and institutional buyers, could be estimated more reliably in 1953 than in 1948.¹

¹Ibid., Secret.

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It was Guthe's conviction that though the ORR methodology and estimates were susceptible of further improvement, they were, nevertheless, the best available and they furthermore, provided the most suitable basis for discussion by the IAC agencies.

Besides emphasizing the diligence with which ORR specialists performed their NIE responsibilities, the foregoing analysis also provided other insights into the economic intelligence process. In the first place the steps taken to arrive at the Soviet GNP constituted a synthesis of research techniques, demonstrating in particular the importance of good coordination and thorough substantive research, two basic ingredients in ERA methodology. When a problem in Sino-Soviet Bloc economics was posed, the first important step was to ascertain what research, if any, had been completed or was in progress in other agencies of the Federal Government or in private research centers. This coordinative function was usually performed through the collaborative efforts of the ERA and the EIC. Once it had been definitely established that no such research was in progress, ERA specialists undertook intensive analysis of fragmentary

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and conflicting data obtained overtly and covertly from all available sources. From these bits and pieces researchers developed the requisite intelligence on the Sino-Soviet Bloc.¹ In the second place the analysis pointed up the wisdom of what had long been an ERA objective, namely, the maximum possible degree of self-sufficiency in economic research competence. While it was true that ERA could get supplemental assistance from a variety of specialists in other agencies of the Federal Government or from private research organizations, the fact, nevertheless, remained that when ERA was confronted with its "moment of truth," whether in the form of a critical emergency or an extremely short deadline, it needed the best possible research talent available on the spot in order to do the requisite original research and to detect the flaws and fallacies in the research of other government agencies or private organizations.

Collaborative Aspects of Economic Research.

In some of the research carried on in ERA there was close collaboration with other intelligence agencies in an effort to reach solutions to intelligence problems of

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common concern. As a rule these formal joint projects were administered through the EIC. One example was the EIC-P-6 Project, Economic Capabilities of the Soviet Bloc to Support a General War, initiated in 1954 at the request of the Joint Staff. In order to focus the various skills of the intelligence community on this project, the Military Services first furnished data on the probable Soviet force levels in war, postulated beginning July 1955, and also provided data on consumption of material by the armed forces. Taking these requirements, ORR economists calculated the capability of the Soviet economy to provide the necessary war material while at the same time maintaining the minimum civilian consumption necessary to support a war. Simultaneously the Department of State studied the economic accretions which could fall to the Soviets, in the event they overran certain territories, while CIA (ORR) estimated the impact these would have on Soviet capabilities.¹

But above and beyond the collaboration on intelligence research which took place in the intimate confines of the federal agencies, intelligence research, particularly that

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concerned with the economy of the Soviet Bloc, oftentimes involved a complicated pattern of cooperative endeavor which transcended the boundaries of the Federal Government. This pattern comprised a number of research centers, colleges and universities, business, industry, labor groups, and individual specialists in economics, history, geography, the sciences and other fields. Mr. Dulles acknowledged this total involvement in the intelligence research process in an address on 12 December 1956, before the Princeton Conference at Princeton University. Commenting on the analysis of Soviet industrial growth, he said: "A sober understanding of the facts of life about the Soviet Union is fundamental to any appreciation of the security position of the United States. It has always been a source of great comfort to us in Washington to know that so many throughout the country, of which this Princeton Conference is evidence, are also working on this problem. We, in Washington, are being ably assisted by scholars, educators and directors of research foundations, by leaders of business and representatives of labor, and others working individually and in groups,

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to help toward a better appreciation of the true nature of the Soviet challenge."¹

The files of CIA contain voluminous material on the many-sided aspects of intelligence research and on the variety of specialists and organizations that were employed in solving certain problems in the 1953-60 period. The following samples taken at random from ORR files will illustrate some of the ways in which solutions to economic problems were sought. In the 1953-54 period economists in ORR, in order to meet their responsibilities for the analysis of the economic capabilities of the Soviet Bloc, were badly in need of detailed information on the structure of the Soviet economy, especially on the pattern of input purchases and of consumption for all industries. The principal difficulty--and for the time being an insurmountable one--was that statistical and other data on the structure of the Soviet economy were difficult to obtain. As an alternative solution it was determined that analogous data on U.S. industries could be analyzed, and that the results, could, through a process of extrapolation, be used in arriving at a fairly reliable approximation of

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the Soviet industrial cost structure. Accordingly ORR procured from the Bureau of Labor Statistics (BLS) detailed information on the processing and labor costs of U.S. industries. In order to transform this great voluminous mass of material into workable units a great deal of complicated analysis and collation was necessary, but the requisite expertise for such an undertaking was lacking in ORR. At the time one of the recognized experts in that specialized field of economics was [REDACTED] (b)(3)

[REDACTED]
[REDACTED] engaged by ORR

to perform the following operations on the BLS data:

- (a) Assemble and organize the great mass of information about U.S. labor and processing costs.
- (b) Indicate the categories covered by the data.
- (c) Determine the industrial process and technology involved and
- (d) Analyze the data for consistency and reliability.¹

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During this same period further information and guidance on the complicated problem of the inter-industrial structure of the USSR was sought through consultations between ERA economists and specialists [REDACTED]

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Another important economic problem that was being jointly researched in 1954 was Soviet petroleum. This project, also known as "SILO," was being investigated by specialists from ORR, the United States Geological Survey [REDACTED]

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Some economic research projects were contracted out entirely by ORR to either individual specialists or to research centers. Among the significant aspects of Bloc economics being investigated by individual specialists in 1954 were:

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In regard to projects farmed out to research centers note should be taken of the contract awarded [redacted] in December 1954 to undertake a detailed study of the economy of East Germany, covering the years 1946 through 1954. The stated objective of this research was to produce studies of national accounts, price indices, and inter-industry accounts for the East German economy, based on unclassified data, in order to supplement the research performed by cleared staff employees of ORR. It will be noted that ORR in this instance was contracting [redacted] to do much the same type of research on the economy of East Germany which its own researchers, in collaboration with outside specialists and research organizations, were then doing on the economy of the USSR. The estimated cost of the East German study, to be performed between 1 February 1955 and 31 August 1956, was \$46,700, and it was to be financed by CIA funds.¹ The Project Review Committee (PRC) had certain reservations about the use of CIA funds. Although the PRC approved the project as submitted, it suggested that research of this nature fell legitimately

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with the programs of foundation-supported research. As a matter of policy for this and comparable future research proposals, the PRC proposed that the Special Assistant to the Director for Planning and Coordination explore the possibility of using [] as an intermediary for placing similar unclassified research with the private foundations whenever feasible. On this basis the project was approved by the DCI on 29 December 1954.¹ (b)(3)

It should be noted in this connection that ORR components and the EIC kept a close watch on external research projects and it was only after thorough investigation and checking that recommendations were made. Late in 1953 [] was evidently anxious to interest CIA in a research project on "Foreign Trade and the Communist Chinese Economy" proposed by [] An outline of the project was circulated through ORR and the EIC in order to determine: (b)(3)

- (a) whether any comparable research was under way at that time and

¹Ibid., [] (b)(3)

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(b) whether CIA would be interested in having (b)(3)
submit any further data on the proposal.

Despite the need for information on Communist Chinese
trade the project was rejected by the ERA and the EIC.

On behalf of the subcommittee on International Trade and
Finance the EIC Secretariat declared that unless (b)(3)
had some unique sources or very special background for
analysis, it was difficult to see how the proposed pro-
ject could provide intelligence information not already
better accessible to the intelligence community.¹

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~~SECRET~~Decline in the Volume of External Research.

As a consequence of the ERA's continuing endeavor to become self-sufficient in the matter of substantive research, there was a steady decline in the volume of work contracted to outside researchers. As of early 1961 ORR had only four contracts outside CIA, two of them with well-known universities and the remaining two with other agencies of the Federal Government. In 1957 graduate students [] began doing research on certain aspects of the economy of the Eastern European Satellite countries. Most of the students engaged in this research had native fluency in Eastern European languages and many of them, too, had received their early education in the Satellite countries. The students were unwitting of the intelligence implications of their research which was directed by [] [] Periodically the work completed [] was brought to ORR where it was checked, collated, and, where appropriate, incorporated in ORR reports.

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In June 1959, []

[] undertook a research contract on Communist Chinese

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agriculture, including such factors as yield per acre, weather effects on yields, etc. This project being relatively new and long-range in character, there was little definitive information on its results by early 1961.

In another project the Foreign Manpower Division of the U.S. Census Bureau undertook to provide ORR with up-to-date information on the age and the sex composition of the populations of the Soviet Bloc countries. This information was fed into ORR files and incorporated in studies where appropriate. Finally the Bureau of Foreign and Domestic Commerce was to furnish ORR with statistical data on the volume and pattern of trade between Bloc countries and also on the trade between Bloc countries and Free World countries.¹

Consultant Services for Economic Research.

During its formative years ORR researchers relied rather heavily on the advice and guidance obtained through consultant services. Throughout the period



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from 1953 to 1960, as research techniques and methods were being improved and refined within ORR, there was a steady decline in the need for outside assistance. The following table graphically demonstrates this trend:¹

Fiscal Year	Total Number of Days Worked by Consultants	Compensation
1954		
1957		
1960		
1961		

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Consultants were engaged by ORR for advice and guidance on a wide variety of subjects, including management, reorganization, programming, COCOM matters, dollar-ruble ratios, metals, chemicals, transportation, etc.

In March 1954 ORR undertook to review its basic policy on the use of consultants, following an inquiry by the Inspector General, in regard to what seemed to be extravagance in the handling of consultant matters, particularly the fact that only [] registered consultants had been used during the last quarter of 1953. Defending the practice, [] SA/AD/RR, declared that the philosophy of having consultants at

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all stemmed from a desire to have available for immediate consultation people whose positions in the academic or industrial world precluded the possibility of hiring them full-time. He further stated that it was the policy of ORR to place a consultant on inactive status only after one full year had passed without his having been called in for consultation.¹

In July 1954 the DCI declared that the standard procedure for the selection of a consultant was that "the top man of a company or corporation be contacted by OO . . . so that his advice as to the most suitable person can first be obtained."² How long this procedure had been in effect or how faithfully it had been followed is not clear.³ It was, however, reiterated in July 1954 in order to prevent the recurrence of an embarrassing situation involving an abortive attempt on the part of the material Division (D/M) of ERA to acquire the services of a consultant. The D/M at that time had

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³No such procedure as this was followed in the selection of consultants for OSI.

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limited competence to deal with certain problems associated with the economic analysis of the Ferrous Metals component of the Soviet economy. In an attempt to get some expert outside assistance, the chief of D/M and a [redacted] an [redacted] 00 representative, on 14 July 1954 visited [redacted] (b)(3) (b)(6)

[redacted] (b)(3)

[redacted] Ohio, to interest him in becoming an ORR consultant. [redacted] asked for time to consider the offer and to consult [redacted] (b)(3) (b)(3)

[redacted] In order to ascertain what the consultant services would entail, [redacted] visited the DD/I. It was subsequent to this visit that the DD/I stated that "the Director insists" on the "top man" approach in the selection of consultants. (b)(3)

As it turned out, [redacted] (b)(3)

[redacted] did not consider [redacted] appropriate for the type of consultant work envisaged and he recommended instead [redacted] (b)(3)

[redacted] (b)(3)

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The findings of an ORR chemical advisory panel submitted to the DCI on 11 May 1954 illustrate one phase of the consultant process in operation. The background for these findings was the exhaustive negotiations of the Consultative group and its subordinate committees--COCOM and CHINCOM--which took place in Paris during the spring and summer of 1954. The principal objective of these Paris meetings was a revision of the existing strategic trade controls against the Sino-Soviet Bloc countries. In the course of these meetings great demands were placed on ORR for advice and guidance [redacted]

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[redacted] to the U.S. delegations. As might be expected, there was wide divergence of opinion on these controls at the international level and even at the national level there was lack of unanimity. So far as the U.S. position was concerned, the ORR chemical panel took strong exception to the control policy as formulated by the Departments of State and Commerce. Apparently the panel, [redacted]

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had been asked for advice regarding chemical equipment which was being decontrolled.

In a memorandum to the DCI on 11 May 1954 the panel stated that it had reviewed the list of subjects under consideration by COCOM for release to the Soviet Bloc and that these had been accepted by the Department of Commerce for the Department of State. The panel protested this edict and took vehement exception to the phraseology which stated that "everything is open to release unless specifically exempted therefrom." Maintaining that the envisaged policy would yield the position of the U.S. and indeed of COCOM in technical superiority which was the one sure base on which the position of the free nations in world affairs rested, the panel declared that the "supply of chemical equipment and technical know-how to the enemy,

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or to any country from which conveyance to the enemy is a possibility, is an act to which we are unalterably opposed."¹ The panel singled out nitric acid and sulfuric acid for special comment. In the case of the former it was pointed out that it could be used for high explosives as well as fertilizer and the supposition that the enemy would use it only for peaceful purposes was naivete in the extreme. Sulfuric acid, it was stated, was necessary for a great variety of uses and with the exception of RDX, all important war explosives required sulfuric acid to drive the nitration reaction to completion.

In closing, the panel members re-emphasized the danger of disclosing "our technology or any part of it. It is our only point of superiority over potential enemies. We protest with all our power against the general release of this to the outside world. It is our belief that future happenings will expose us to severe criticism unless we take this stand."²

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²While policy formulation was not the concern of ORR or its consultants, it is, none the less, interesting to note that the dissent regarding the relaxation of certain COCOM controls expressed above by the chemical advisory panel was shared by certain ORR personnel, not only on the question of chemicals

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ORR's Collectors in the Field.

In addition to ORR's drive toward self-sufficiency in substantive research, ORR also entered the collection field from time to time, especially to seek out and exploit unusual sources of intelligence information. Recognizing the shortcomings of attempts to collect information through field personnel not privy to its specialized needs, ORR pursued a vigorous campaign to place its own specialists in the field.

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but on other commodities as well. In the spontaneous comments of certain ORR/D/E economists who had in the past been closely involved in COCOM matters there was more than a trace of bitterness and frustration in their account of the manner in which policy was frequently pushed through in disregard for intelligence, which seemed to call for a different course of action.

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Effect of Sputnik I and II on ORR
Collection/Coordination Activities.

Following the successful launching of Sputniks I and II by the USSR in the Fall of 1957 there was an increased demand for intelligence information on the implications of these achievements. To meet this demand and also to provide better economic backstopping for NIE's dealing with Soviet capabilities in the field of guided missiles ORR economists initiated intensive analyses of the USSR budget. Further ORR efforts, designed to support both the NIE program and the research performed by the Guided Missiles Intelligence Committee of the IAC, included close collaboration with OSI and the Clandestine Services in the planning and execution of covert operations to insure maximum utilization of potential collection sources for information on the Soviet guided missiles program. The focal point for this joint effort was a Guided Missiles Task Force composed of representatives from ORR, OSI and the DD/P, established in November 1957 under the direction of the DDCI, General Cabell. This Task Force was initiated for the purpose of coordinating the efforts directed

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toward the clandestine collection of intelligence information on the Soviet missiles program.

One of the first undertakings of the Task Force was to draw up a Collection Planning Aid which was to serve as a guide in formulating pertinent and up-to-date requirements on Soviet missiles. This Collection Aid, submitted to the DDCI in early 1958, addressed itself to such missile topics as research and development, training, deployment, and early warning. Other activities of the Task Force during its first few months in operation included: the preparation of field collection aids and guides; a review of Soviet personalities identified directly or indirectly with the Soviet Inter-Continental Ballistic Missile program; and an assessment of the assets and operations of the Clandestine Services which might be directed toward missiles targets.¹

Another salutary result of the Sputniks was closer cooperation between ORR and OSI on guided missiles intelligence problems. During the early 1950's the relations between these two offices left a great deal to be desired. Within OSI there was a strong tendency to regard

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such vital intelligence fields as guided missiles and atomic energy as the exclusive preserve of the scientists and technicians. Thanks, in great part, to the AD/NE, Dr. Sherman Kent and the DD/I, Robert Amory, Jr., OSI, in 1955, began to develop a more enlightened approach to the ramifications of scientific intelligence, and, in particular, to acquire an appreciation of the significant contributions that ORR was capable of making. The orbiting satellites provided a strong stimulus for expanding and improving this inter-office collaboration.

Not long after Sputnik II was launched on 3 November 1957, ORR and OSI jointly reviewed their respective missions for the production of guided missiles intelligence. The result of these deliberations was a new and mutually satisfactory delineation of responsibilities. OSI was to have primary responsibility for Soviet missiles intelligence through the research, testing and development stages. As each Soviet missile or space vehicle system entered the production stage primary responsibility passed to ORR which was to be responsible for analyzing production rates and capabilities, the costs of producing and deploying individual missile systems, economic

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relationships between missile systems, and the impact of the entire missile production and deployment program on the various sectors of the Soviet economy.¹

Proposed Military Economics Division in the ERA.

In May 1956 the DIOR Committee² of the ERA submitted a memorandum to the AD/RR, recommending the establishment of a military economics division within the ERA. The basic objective in setting up such a division was to provide the DCI, DD/I, ONE and the intelligence community generally, with better economic intelligence on Sino-Soviet Bloc military activities. The lengthy DIOR argument was built around two principal aspects of military economic intelligence on the Sino-Soviet Bloc -- its special character and the need to integrate within the ERA the Staff and division components dealing with it. In the past there had been differences between ORR's

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² This Committee consisted of the Chief, ERA and his four division chiefs. The Committee, known also as the "New Look Committee", was established for the purpose of formulating policy on such matters as reorganization, determination of priority research projects and the allocation of personnel to same, etc.

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and the Services' estimates regarding the output of key military items such as tanks and aircraft. These differences had diminished somewhat by 1956 but still the estimates of ORR and the Services were subject to margins of error attributable partly to the nature of the available data and partly to what the ERA regarded as the inadequate estimating methods then in use among the Services.¹ In this respect, it was argued that, the ERA could perform a great service for the intelligence community by developing new methods of analysis to improve the quality of intelligence. Military economic intelligence on the Sino-Soviet Bloc differed from other economic intelligence because of its critical influence on U.S. national security and the U.S. budget. Allegations that the Services were permitting U.S. budget considerations to influence their intelligence estimates of the production of military end items emphasized the necessity for an objective evaluation of these estimates by an intelligence group not influenced by the same budgetary considerations. The Committee cited NSCID 15 and DCID 15/1 to point up

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ORR's special responsibilities with respect to intelligence of common concern, and the equally significant responsibility for "departmental intelligence" delegated by Section 102 (d) of the National Security Act of 1947. In accordance with the latter, ORR had the responsibility for the evaluation of the production of estimates of military end items as produced by the Services.¹

With respect to the organizational aspect of the problem it was pointed out that ORR components working on military economic intelligence on the Sino-Soviet Bloc were scattered throughout different staffs and divisions of ERA. Because of this, communication was greatly hampered, responsibilities and functions were poorly understood and coordinated, and there was pressing need for unified direction and orientation. The Committee accordingly recommended that a new military economic division be formed within ERA responsible for economic intelligence on the military activities of the

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Sino-Soviet Bloc and that this division should include the Military Economics Branch, Aircraft Branch, Ship-building Branch, Weapons and Ammunition Branch, the Ad Hoc Guided Missiles Staff, and a proposed new group to work on the economic aspects of the Bloc nuclear energy program.¹

Commenting on these recommendations, Dr. Guthe acknowledged the cogency of the arguments and the validity of the assumptions on which they were based. He further stated that during the past two years ORR economists had been developing a most useful approach to the evaluation of Soviet military programs in terms of economic cost and allocation of resources and that this approach, as applied, had justified what some might otherwise consider an "invasion" of the "military economic" area of intelligence production as described in DCID 15/1.² Though ORR was recognized as the most competent organization within the community for examining the economic implications of the Sino-Soviet military

¹Ibid.

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programs, Guthe believed that the practicality of ORR's economic-cost-allocation-of-resources approach was not yet fully accepted. In particular he thought that time would be needed to wean the Services away from the inefficient methods of arriving at estimates based on fragments from several sources, and to convince them of the superiority of ORR's more "subtle approach."

Dr. Guthe rejected the proposed military economic division on the ground that the Services might interpret such a move as a unilateral attempt by CIA to assume large responsibilities in their fields of primary concern, and besides, such an undertaking would be contrary to the DCI's insistence that offices and officials of CIA avoid any moves which would "unnecessarily disturb the balance of good will developed between CIA and the Services."¹ On the question of integrating the components of ERA dealing with Sino-Soviet military economics, Guthe suggested the assignment of a Deputy Chief in the Industrial Division who would be given primary responsibility under the Chief of that Division for the work of the

¹Ibid.

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Aircraft Branch, Shipbuilding Branch, Weapons and Ammunition Branch, a Guided Missiles Branch replacing the then-existing Staff, and a new staff to study the economic aspects of the Bloc nuclear energy program.

While the foregoing unilateral attempt to improve the quality of Sino-Soviet military economics was unsuccessful, there was one aspect of this general area which was responding favorably to a bilateral approach; this was the developing cooperation between economists in ORR and their counterparts in the Air Force Office of Intelligence (AFOIN). The significance of this becomes apparent when it is borne in mind that it was precisely in this area that the greatest competition had heretofore existed in the production of military economic intelligence on the Bloc countries. At the end of 1954 it was estimated that ORR and the Target Analysis Division of AFOIN accounted for over 90 percent of the U.S. intelligence research effort on the Sino-Soviet Bloc economy.¹ Beginning in 1955 representatives from ORR and AFOIN engaged in extensive and detailed discussions covering

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the related activities of both organizations. Partly as a result of these discussions AFOIN became better acquainted with ORR's growing capability to provide the types of research studies on Sino-Soviet Bloc industries required by the Air Force in its target analysis.¹ During 1956 ORR was given repeated assurances that AFOIN was substantially reducing its research effort² on Sino-Soviet Bloc industries and that it intended to rely increasingly on ORR for a major part of this intelligence. Further evidence of this growing rapprochement was provided in March 1957 when ORR agreed to provide AFOIN with annual estimates on production at individual plants for 28 selected sub-sectors of the Soviet industry in response to AFOIN's targeting requirements. During 1958 ORR's support to the air targeting program was expanded to include additional data required by the Air Force. These were indeed reassuring signs of progress in the continuing

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effort to reduce the costs of analysis in the intelligence community, to eliminate needless duplication of effort and to place "the job in the hands of those with major responsibility for intelligence on Bloc industry."¹

Summary of ERA Accomplishments, 1953-1960.

With due recognition of the important groundwork which had been laid during the 1951-1952 period, economic research in ORR did not begin to function systematically or effectively until after the Spring of 1953 when Edward Allen became the first Chief of ERA. Lacking an experienced director prior to that time, research programming had been a haphazard affair, with the result that projects were not being completed on schedule and customer needs as well as intelligence gaps were not receiving the attention they merited. To correct this situation Allen ordered a revision of the research program for Fiscal Year (FY) 1954. The results from this move were impressive in that research devoted to customer needs was increased by 1/3 during FY 1954.

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ERA economists figured prominently in the lengthy negotiations preparatory to the adoption of DCID 15/1 in September 1954. This Directive, supplemented by periodic consultations between ERA researchers and their counterparts in the Military Services, particularly the Air Force, contributed significantly toward the reduction of costs and the prevention of unnecessary duplication in the production of Foreign economic intelligence.

It was this period also which witnessed the initiation and development of systematic and well-organized recruiting and training programs. The leading universities throughout the country became the focal points in the search for talent. This was a doubly rewarding endeavor since it brought more competent economists into ORR and also established steady sources of supply for future needs. As new recruits entered ERA steps were taken to develop their research potential and enlarge their knowledge through a variety of training courses offered by CIA or other Federal agencies and through graduate studies at various universities and research institutes.

The development of new research techniques, such as inter-industry analysis and ruble-dollar ratio studies,

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provided clearer insights into and a better understanding of Sino-Soviet Bloc economics. The coalescence of OCI and ORR methodologies in the ERA's Current Support Staff had farreaching effects on current economic intelligence production and on ORR support of the Watch Committee of the IAC.

In summarizing ERA's accomplishments during these years it should be emphasized that a great deal of the research and support work discussed elsewhere in this chapter under the EIC and the EDIC was actually performed by ERA economists, with these two committees serving as the media through which this work was made available to customers in the intelligence community. Prime examples of this type of research and support were-- economic defense (COCOM and CHINCOM); (b)(3) and the EIC-RI Series of reports on Communist China's Trade and Transport.

This, in short, was the period in which economic intelligence in ORR reached maturity, the period in which the ERA researchers attained a high degree of competency which enabled them to become relatively independent of non-Agency experts.

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~~SECRET~~Geographic Intelligence.

Long before the Geographic Research Area (GRA) of ORR became a part of CIA it had been producing valuable intelligence support for the National Security of the U.S. Government. Even CIA's antecedent, the OSS, had not yet appeared on the scene when the original forerunner of the GRA, the Geographic Division of the Coordinator in Information, was established in 1941. In the course of the decade following 1941, the Geographic Division underwent many vicissitudes as it passed successively from the Coordinator of Information, to OSS, to the Department of State, to ORE and finally to ORR where it became one of the principal research components under the title of the GRA.

Although this activity underwent many migrations, the GRA by 1953 had retained a great deal of its original make-up. This was especially true in regard to its organizational structure and the key personnel responsible for its direction. As early as 1942 there were cartographic, geographic and map-information units in the original Geographic Division. These were the prototypes for the Cartography, Geography and Map Library

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divisions of the GRA established in 1952, and the pattern that was to prevail during the entire period from 1953-1961. In addition, beginning in late 1952 the Photo Intelligence Division was attached to the GRA and remained there until 1958 when it was reconstituted as a separate office outside ORR under the title of the Photographic Intelligence Center.

This geographic research enterprise, as it had developed by 1953 was characterized by an unusually high degree of continuity of leadership. In 1947 when the responsibilities for geographic intelligence had been transferred from the Department of State to CIA, a number of officers with years of experience in geographic intelligence were transferred along with these responsibilities. Among these transferees was Dr. Otto E. Guthe who was heading the GRA, as of January 1953, and who soon thereafter was appointed AD/RR. Succeeding Guthe in the GRA, [] served as head of that office through the entire period 1953-1961 and beyond. Like his predecessor, [] had been transferred

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to CIA in 1947 [redacted]

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Three of

the four geographic division chiefs were likewise long-
experienced transferees from State: [redacted] of

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the Cartography Division; [redacted] of the Map Library
Division and [redacted] of the Geography Divi-

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sion. Two of these, [redacted] served continu-
ously in their respective positions during the entire per-
iod 1953-1961, while [redacted] served until July 1959 when
he was replaced as Chief of the Geographic Division by

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Division of Labor in the GRA.

The four divisions--Geography, Cartography, Map
Library and Photo Intelligence operating under the
general direction of the Chief of the GRA in early 1953
were further broken down into branches and some of the
branches into sectional work units. Some of these branches

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were organized on a functional basis and some on a regional basis. The sections were generally functional in character with the exception of [REDACTED]

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[REDACTED] The
Cartography Division, in particular, exemplified the capability of the GRA to organize on a long-term basis and thus avoid the confusion which generally results from frequent changes. In 1954 the Division consisted of three regional and three functional branches. As of December 1960 the only change that had taken place was the liquidation of one of the functional branches--Graphics.¹ Similarly in regard to the two other divisions which currently constitute the GRA, the organizational changes effected between 1954 and 1960 have been relatively few in number and minor in character.

¹During Fiscal Year 1955 the Graphics activity of the GRA's Cartography Division was consolidated with a similar activity in OCI in order to provide more effective support to the visual aid and graphics support for the Offices under the DD/I and for higher echelons of CIA.

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~~SECRET~~Photo Intelligence.

A notable exception to the foregoing, however, was the Photo Intelligence Division of the GRA. This division was formally established in late 1952 on the basis of a staff study submitted to the Project Review Committee. The study, entitled "Staffing for Photo Intelligence Within ORR,"¹ was performed by [redacted] (b)(3) (b)(6) and his staff and it detailed the mission and functions of the proposed division. The intention in 1952 had been to establish a small but capable group of photo intelligence analysts to exploit aerial and ground photography in support of the economic and geographic research programs of ORR. The original T/O consisted of [redacted] positions ([redacted] of them professional) distributed (b)(3) as follows:

- (a) Office of the Chief with a deputy and an administrative assistant, and
- (b) Two branches, Industrial and Geographic, each having [redacted] intelligence officers. (b)(3)

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Specialized knowledge and skills were necessary for fulfilling the responsibilities¹ of photo intelligence analysis, and in order to supply these needs great care was exerted in recruiting qualified and efficient personnel. After a staff had been assembled, the Division began operations in the spring of 1953.

Almost from the beginning it was apparent to the GRA that the T/O of the new division was inadequate. Requirements accumulated rapidly and the volume of work was soon too much for the available staff. As a result of this unforeseen demand, work was performed on a very selective basis, with the most urgent needs getting top priority. To aggravate the situation [] staff members had to devote part of their time to a special project under the direction of the Special Assistant to the DCI for Planning and Coordination. In order to alleviate

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¹The Photo Intelligence Division was required to provide photographic interpretation and intelligence support for the research programs of the economic and geographic areas of ORR, for OSI and for the operational planning of the DD/P area. By closely coordinating its own research activities with those of the Geographic Division, the Photo Intelligence Division was also expected to keep current on Soviet capabilities and developments in photography.

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this critical situation the AD/RR on 11 May 1955 submitted recommendations for a sharp increase in the T/O from [] to [] and for an organizational expansion to include a Requirements Support Staff and two additional branches, a Technical Support Branch and a Special Support Branch.¹

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As time progressed the responsibilities of the Photo Intelligence Division were becoming more and more specialized, and progressively more thought was being given to the advisability of separating the Division from ORR and establishing it as a separate office. In the Fall of 1958 the decisive step was finally taken and on 13 October that same year Photo Intelligence was separated from ORR and established as a separate component.

Specialized Responsibilities of the GRA Components.

The geographic intelligence process comprised a variety of research and support services of concern to national as well as departmental intelligence. An outline of these services, prepared for the Clark Committee in 1954, included the following breakdown of responsibilities:

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- (a) The Chief of the GRA was responsible for developing, programming and administering the work of the four component divisions and for advising the AD/RR on current problems, programs and proposals within the scope of the GRA's functions.
- (b) The Geography Division was responsible for conducting geographic and map intelligence research programs, including area studies, border studies, coastal studies, route studies, free area studies, target studies, and urban analyses in support of operations planning. Additional responsibilities included efforts to estimate Soviet plans, programs and achievements in the fields of mapping, photo intelligence, and photogrammetry, and to provide, on the basis of intelligence in these fields, finished intelligence on Soviet capabilities. Through geographic analyses, the Division was expected to support the Evasion and Escape Area Studies Program of the Strategic Air Command and provide direct assistance in support of scientific and economic intelligence.

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- (c) The Cartography Division's task was to provide cartographic and graphics support to finished intelligence production, high level briefings, administrative functions and covert operations. It also had responsibility for coordinating the NIS base map program and for producing finished NIS maps for CIA and the Department of State.
- (d) The Map Library Division was to coordinate the procurement of maps and geographic intelligence abroad and provide for the coordination of inter-agency requirements, prepare draft instructions and other communications relating to the procurement of maps and related intelligence and maintain a current collection of maps, atlases and related materials on foreign areas as a continuous service to intelligence officers in CIA and other government agencies. The Division Chief,

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(b)(3)Unique Characteristics of Geographic Intelligence.

In contrast to the ERA of ORR which concentrated its research effort on the Sino-Soviet Bloc and on Free World underdeveloped areas affected by Bloc penetration, the GRA had responsibility for world-wide coverage. Again unlike the ERA, the subject field treated by the GRA-geography-was not mentioned in the enumeration of broad intelligence categories in NSCID's 2 and 3, nor was geographic intelligence, as a production responsibility, covered by existing NSCID's. The reasons for this omission derived from the somewhat unusual characteristics of geography as a definable area of intelligence interest within the Government. Unlike other disciplines such as economics, political science, and sociology, the subject matter peculiarly characteristic of geography-location and area interrelationship-was realized as finished intelligence primarily in its applications to

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the data of other disciplines or their operational expression. Thus, its application to other data was termed-for instance-physical, political, and economic geography. Its application to operations was identified as military geography, targeting, unconventional warfare, evasion and escape, border and area studies, and similar projects.¹

Because of this unique aspect, each agency's geographic intelligence necessarily was tailored to fit the specific requirements of its assigned departmental responsibility; or, in some cases, the requirements of its principal customers in accordance with inter-agency arrangements. Collection requirements, file material, research facilities and professional talent needed to be continuously oriented toward these specific needs. A central unit to provide geographic research as a service of common concern would not have been able to meet the diverse, sharply focused and detailed requirements of these major intelligence consumers. For the same reasons, extensive coordination of production in

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this field would normally have been extremely difficult and unprofitable.

As a consequence of the diversified and specialized needs of different agencies in regard to geographic information, decentralization has been a feature of geographic intelligence throughout the Federal Government. In the case of CIA this meant that the GRA of ORR, though frequently performing productive and coordinative functions that benefited the intelligence community generally, was, in reality, one of many offices engaged in the production of departmental intelligence. In effect, then, national security requirements for geographic intelligence were largely met by established departmental intelligence activities. Occasional requirements for geographic intelligence which originated at the Joint Chiefs or the IAC level were fulfilled by delegating responsibility to the department most appropriately staffed.

Besides ORR's GRA, these departmental agencies and the principal topics on which they concentrated their respective research efforts included:

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- (a) Army Map Service--primarily NIS and Engineer Intelligence Dossiers covering roads, railroads, urban areas, soils, rivers, and communication lines.
- (b) Quartermaster Environmental Protection Unit--the effect of physical environment on men and equipment.
- (c) Air Force Intelligence
 - (1) Targets Branch--developed material for Air Objective Folder and Tactical Target Programs.
 - (2) Arctic, Desert, Tropic Information Center--produced or coordinated Evasion and Escape Studies, ethnic studies and similar environmental material..
- (d) U.S. Geological Survey--Military Geology Branch--support of NIS and Engineer Intelligence Dossiers developed by the Army Map Service.
- (e) U.S. Hydrographic Office--compiled and produced various nautical charts.
- (f) Beach Erosion Board--support of NIS and Navy operations.

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(g) Board on Geographic Names--government authority on the spelling of place names of geographic features, largely in support of NIS.¹

Coordination of Geographic Intelligence.

Any attempt to centralize the research responsibilities of these departmental agencies would have been a relatively futile undertaking. In like manner the research performed could be coordinated only on a highly selective basis and could be undertaken only in those areas where the interests of a number of agencies converged. Despite these limitations, however, an effective coordination system had been developed by these various agencies. Especially worthy of note was the fact that this coordination had been effected without any prodding from the NSC or the DCI and without the establishment of any formal, elaborate system of committees or subcommittees as in the case of the EIC. This informal ad hoc type of coordination was essentially the product of the close collaboration that had existed for years between geographic researchers throughout the different agencies.

¹Ibid.

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Through the years, a number of informal coordinating media were developed and these included:

- (a) Exchange of project lists. ORR periodically transmitted a Status of Projects report to outside agencies for their information.
- (b) Ad Hoc IAC Working Group on geodesy and gravimetry. An informally organized group which met periodically to exchange information on Soviet advances, capabilities and plans in geodesy and gravimetry.
- (c) Informal Working Group on Unconventional Warfare (U/W). Organized by the DD/P, Air Force, ORR, and Army to simplify and standardize U/W studies by redefining the areas and criteria involved.
- (d) Ad Hoc Working Group on the International Geophysical Year. Coordinated information and views on policy relating to non-Antarctic aspects of the IGY.
- (e) OCB Working Group on Antarctica. To coordinate information and views on policy relating to Antarctic research and operations.

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In addition to the foregoing, geographic research agencies availed themselves of the coordinating facilities provided by the External Research Staff of the Department of State.

An excellent example of this spontaneous type of coordination was the work of the Cartographic Division of GRA in regard to base maps. Between 1950 and 1955 the Cartographic Division planned and put into effect a program that provided all the U.S. government mapping organizations with duplicate reproduction materials for base maps of 85 percent of the countries and areas of the world, covering all except a few low priority areas. This program saved thousands of man hours of labor in every cartographic unit of the U.S. government and the total cumulative effect was to eliminate the need for dozens of draftsmen throughout the government.¹

In regard to collection activities particular attention should be called to the coordinative functions of:

(a) The Interagency Map Procurement Committee.

This informally developed and voluntarily

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constituted group was organized to eliminate duplication between map collecting agencies and to maximize the foreign procurement of maps and map materials of interest to the U.S. government. The committee was permanently chaired by the Chief, Map Library Division,

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[REDACTED] Membership on the committee consisted of Army Map Service, Aeronautical Chart and Information Center, U.S. Hydrographic Office, Coast and Geodetic Survey, Board on Geographic Names, Library of Congress, Assistant Chief of Staff, Intelligence (Army G-2), National Security Agency, Department of State, and CIA. The committee formulated policy, coordinated requirements, and approved programs. Staff implementation of broad committee directives was provided by personnel of the Map Library Division of ORR. Actual procurement operations in the field were performed by seven geographic attachés of the

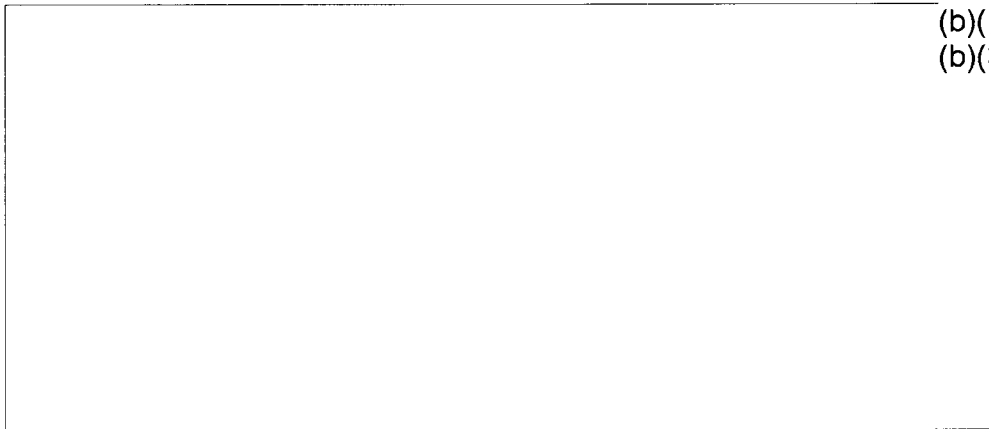
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Department of State. As a result of the formation of the committee, and the centralization of staff direction in CIA, most unclassified foreign maps that were procured by the U.S. government were processed through a single channel. During the seven-year period ending in 1954 an average of 50,000 map sheets per year had been acquired on behalf of the participating agencies, and in that same terminal year map exchange arrangements were being maintained with some 140 foreign official and commercial mapping agencies.¹ Considerable benefits in efficiency, economy, and collection capabilities have been realized through this coordination.

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The GRA as Producer of Departmental Intelligence.

Reference has been made above to the fact that the geographic intelligence produced in ORR was essentially departmental intelligence. This, of course, does not mean that ORR's GRA was exclusively concerned with CIA's needs to the exclusion of those of other IAC-USIB agencies. As a matter of fact GRA researchers provided other agencies with a great deal of substantive and co-ordinative assistance. It is true, nevertheless, that since the early 1950's GRA had been steadily concentrating the bulk of its effort on meeting the needs of other CIA

¹Ibid.

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components. In the course of the 3 1/2 year period ending in June 1954, the Geographic Division produced 209 reports in response to specific requests. More than 80% of this total (168 reports) were for CIA requesters and 41 reports or less than 20 percent, for non-CIA requesters.¹ In 1956, 59 percent² of GRA's overall production was for CIA consumers, including the NIS Program;³ and the corresponding figure for 1957 was 68 percent.⁴



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³In regard to work performed for the NIS Program it should be pointed out that some of this could possibly have been done for State's NIS contributions, in which cases it should be regarded as a service performed for State. In general, however, the work listed as having been performed for the NIS was, by and large, a service rendered either directly to that office by GRA or indirectly through some other CIA component.



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Another significant trend, continuing after 1953, was the steadily increasing importance of the DD/P area as a consumer of geographic intelligence. During Fiscal Year 1953 the DD/P was the largest single consumer of the Geographic Divisions' reports which included 3 detailed "B" area evasion studies, 18 "C" area escape and evasion studies, 2 border studies, 3 coastal studies and 2 target studies, all performed at the request of the DD/P.¹ Also in 1953 the newly established Photo Intelligence Division of the GRA devoted over 60 percent of its effort directly or indirectly to DD/P needs.² Production of geographic intelligence reports during Fiscal Year 1954 increased by approximately 30 percent, a large part of which was concerned with infiltration, escape route and target studies in direct support of clandestine operational planning.³ During the years following 1953 the DD/P continued to increase the

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percentage of its take of geographic intelligence production; the figures for 1957 and 1958 having been 29 percent and 34 percent, respectively.^{1,2}

In the preparation of evasion and escape reports the highest degree of accuracy attainable was mandatory. On the accuracy of these reports depended the lives of individuals to be rescued from hostile territory or put into hostile territory to accomplish operational missions.

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There have been several reports from the field to the effect that lives have been saved because of the accuracy of these briefings materials.³

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²The one exception to this upward trend was 1956 when 23 percent of the geographic intelligence production was for the USAF and the USN, while 17 percent was for the DD/P.

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Personnel and Training.

In order to make newly-recruited employees thoroughly familiar with the various responsibilities assigned to them, the GRA stressed on-the-job-training. This was especially true of the Cartography Division where each new employee participated in an eight-week training program which provided a thorough grounding in the methods, techniques and procedures used in that Division. In operation since the Fall of 1950 this program was credited with having produced remarkable results.

Area familiarization tours were other means whereby the GRA sought to improve the efficiency and enlarge the knowledge of its employees. Other components of ORR were also cognizant of the efficacy of such tours but GRA was unique in the systematic thoroughness of its

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approach to them. Some idea of this thoroughness can be gained from a look at the itinerary which [redacted]

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[redacted] Chief, Western European Branch, Geography Division, was to follow during a tour [redacted]

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[redacted] in the summer of 1955. Included among the great variety of phenomena to be observed in these countries were--terrain, agriculture, land use, settlement patterns, vegetation, cultural adaptation, industry, population distribution, language, religious customs, etc. [redacted] was also expected to make assessments of various areas in terms of evasion and escape

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potentialities; to visit U.S. Army and Air Force installations [redacted] and finally to hold consultations with geographers at several leading universities.¹ Besides

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[redacted], GRA personnel made comprehensive familiarization tours [redacted]

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Crisis Geography.

Oftentimes there appears to be a considerable time lag between the challenge of an actual crisis and the

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response it evokes in terms positive productive intel-
ligence.

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With the publication of the first issue of the Geographic Intelligence Memorandum (GIM) on 13 November 1956, there came into existence a crisis-begotten medium of ORR intelligence, a medium which later acquired status as an official CIA publication. The underlying purpose in launching this publication was to furnish higher staffs throughout the intelligence community with a succinct presentation of the significant geographic facts that lay behind crisis situations as they cropped up around the world.² Frequently, too, ORR researchers attempted to anticipate crises so that they might be enabled to place the geographic facts in circulation well in advance of actual developments.

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Appropriately enough the first Geographic Intelligence Memorandum (GIM-1) was entitled "Frontiers of Sinai,"¹ a problem with which U.S. foreign policy planners were greatly preoccupied in late 1956. Scarcely less troublesome from the point of view of U.S. foreign policy at that period was the "Kashmir Question," which was the subject of GIM-2, issued in December 1956. The discovery of oil in the Sahara in 1957 added a new dimension to the then critical relationships existing between France and Algeria. In order to place the underlying geographical facts of this crisis area in the hands of U.S. policy planners and others who needed to know them, the GRA in September 1957 issued a GIM entitled "Oil and Partition in Algeria."²

The convenient single-page format (28" x 34") used in the GIM's facilitated rapid digestion of the important essentials of the crisis areas discussed. The information consisted of a map or maps and supplementary text. The maps contained a wide variety of details (natural resources, manufactures, industrial sites, ethnic groups, transportation

¹Ibid.

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routes, harbors, etc.) vividly delineated by contrasting color symbols. The text, as a general rule, dealt with such topics as terrain, climate, people, economy, transportation, etc.

Expansion of Geographic Intelligence Coverage 1953-1960.

As in the case of economic intelligence, the years following 1953 witnessed a steady increase in the research and support activities of the GRA. It has already been noted above that the production of geographic intelligence in FY 1954 had been 30 percent greater than in FY 1953. Even more spectacular in 1954 was the work of the interagency map procurement program which resulted in the acquisition of 62,000 maps and nearly 10,000 related publications. This phase of geographic intelligence was enhanced still further in FY 1955 when the Department of State established a Geographic Attaché position at Tokyo to provide an intensive map-procurement program for the entire Far East. Similar positions were established at Beirut, Buenos Aires and New Delhi in 1957 and at Copenhagen in FY 1958.¹

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During FY's 1955 and 1956 reconnaissance and photographic intelligence were growing more and more significant. The extent to which aerial photography was being looked to for intelligence information was emphasized by the paramount position suggested for it by President Eisenhower in his proposal to the USSR at the Geneva Summit Conference (July 1955) for a mutual air inspection agreement. In the absence of such an inspection agreement the United States Government was continuing to acquire a large volume of aerial and ground photography which was providing detailed answers to questions regarding communist capabilities in potential areas of operation. The Photo Intelligence Division of the GRA, in collaboration with the Military Services, was deeply involved in the exploitation of this growing volume of photography.¹

During FY 1955 there was a steep increase in the demand from the intelligence community for information concerning aerial photographic and mapping projects undertaken in foreign areas by U.S. commercial companies.

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In response to this, major support responsibilities in the form of procurement and processing of requirements were given to the GRA and Defense components. Additionally a field procurement position was established in the

[redacted] which resulted in a greatly increased flow of maps and photo material from that area.

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Improvements in map cataloging techniques resulted in a 210 percent increase in map titles cataloged during 1955. Paralleling this was an intensive review of maps on hand in order to weed out non-pertinent material from the Map Library. This streamlining process brought about the removal of 63,000 out-dated maps and nearly 900,000 sheets from the stock collection of maps produced in earlier years.

In FY 1957 a special program was initiated to develop capability in terrain shading as a cartographic technique. In order to hasten the development of this specialized technique two persons were assigned to training under the foremost European Cartographer in the field of terrain shading. A significant step in the development of world-wide map coverage was taken in FY 1958 when the Cartography Division of the GRA initiated a contract [redacted]

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[REDACTED] to produce map coverage (b)(1)
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of Asia and its fringing islands in five sheets at a scale of 1:5,000,000.¹ On completion, this series, in conjunction, with others already completed on Europe, Africa, the Near East, and the Western Hemisphere, would provide intelligence personnel with a detailed and useful map series covering all land areas of major intelligence importance.

In the general conduct of GRA responsibilities in the years following 1953 there was evidence of steady growth, maturation and efficiency. Cost and manpower statistics indicated that the persistent increase in the production of reports as well as the expansion in the research and support services provided by the GRA, were accomplished with a relatively moderate cost increase of 18 percent between 1954 and 1958 and with an average employment that had actually declined 5 percent during the same period.²

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CIA HISTORICAL STAFF

The DCI Historical Series

Offices of the Directorate for Intelligence, 1953-60

Vol. II OSI

Secret

HS 4, vol. II
1963

No. 1 of 3

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THE DCI HISTORICAL SERIES

HS 4

OFFICES OF THE DIRECTORATE FOR INTELLIGENCE
1953-60

VOLUME II: OSI

by

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1963

HISTORICAL STAFF
CENTRAL INTELLIGENCE AGENCY

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HISTORY OF OFFICE OF SCIENTIFIC INTELLIGENCE, 1953-1960

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STATUS OF SCIENTIFIC AND TECHNICAL INTELLIGENCE
AT THE START OF THE DULLES ADMINISTRATION.

On 6 February 1953, shortly before Allen Welsh Dulles assumed office as DCI, the outgoing DCI, General W. B. Smith, submitted a report to the National Security Council on the status of the Foreign Intelligence Program as of 31 December 1952. In regard to scientific and technical intelligence on the USSR and its satellites, Smith reported that though important progress had been made during 1952, the knowledge then available was inadequate in terms of National security needs. On the subject of the Soviet's or CIA's basic scientific research, the primary responsibility of the Office of Scientific Intelligence (OSI), "major gaps" were found in the intelligence on the Bloc countries, and estimates then being made of long-range developments were "very weak."¹

The Underlying Causes of OSI's Weaknesses.

The causes accounting for the weaknesses in OSI's performance in early 1953 fell into two main categories,

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one internal and the other external. While OSI was not responsible for the external causes of its shortcomings it was fully responsible for most of the internal ones. Since these latter will be discussed at some length, it will suffice here to indicate that they were due primarily to lack of experience, difficulties in finding and recruiting suitable personnel, impractical organization, poor coordination, weak supervision, low morale and a great deal of overlap and duplication in the work performed by the various Office components.

The principal factor with respect to the external causes was the long-standing dispute between OSI and the Military Services regarding the division of responsibility for the production of scientific and technical intelligence. The chief point at issue was where to draw the line between intelligence, relating to weapons and means of warfare already reduced to known prototypes, and intelligence at the pilot-plant stage, anterior to prototypes. DCID 3/3, issued on 28 October 1949, had failed to establish a satisfactory division of responsibilities between these protagonists, and in August 1952 it was superseded by DCID 3/4. This Directive stipulated that the Military Services were to have primary responsibility

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for the production of intelligence on all weapons, weapons systems, military equipment and techniques, plus intelligence on pertinent research and development leading to new military material and techniques. OSI, on the other hand, was to have primary production responsibility for research in the basic sciences, scientific resources, and medicine (other than military medicine) plus intelligence on pertinent applied research and development.¹

From the outset, OSI regarded DCID 3/4 as a failure. Far from ending the difficulties existing between that Office and the Military Services, the new Directive actually acerbated them, and set the stage for a continuation of this dispute that extended through much of Dulles' administration of CIA. OSI registered its dissatisfaction with this Directive in recommendations circulated within CIA by various staff members of OSI, in the "Report" prepared for the Clark Committee in 1954, and in various other memoranda.

One "Staff Study" in particular, prepared by [redacted]

[redacted] of the OSI Intelligence Production Staff in

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¹ DCID 3/4, 8 August 1952, Secret.

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September 1953, emphasized the failure of DCID 3/4 to resolve satisfactorily the issues at stake between the Military Services and OSI and the resultant debilitating effects on the latter's operations. His study was a consensus of OSI grievances, and was based on the premise that CIA had three principal responsibilities:

(1) To advise and make recommendations to the NSC on intelligence matters relating to the national security.

(2) To correlate, evaluate and disseminate intelligence relating to the national security, using, where appropriate, existing agencies.

(3) To perform such other intelligence functions as the NSC may direct.¹

In regard to CIA's first responsibility, the Study found that OSI did not have sufficient latitude under Agency Regulations to perform the vital surveying and inspection mission. This regulation had, in fact, limited OSI to the production of scientific and technical intelligence and to the coordination of such scientific and technical activities as were specifically "directed."

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Besides the limitations enforced by Agency regulations, OSI had historically devoted its major effort to the production of intelligence rather than to providing advice and recommendations to the NSC. OSI was lacking the information and knowledge upon which to base sound and specific recommendations for the alleviation of the existing difficulties, [] found. As of September 1953, CIA had little or no knowledge of the research and production program, manpower, competence requirements, etc., concerning scientific and technical activities in the other intelligence agencies. This situation was caused in part by the initial reluctance of the Military Services to deal with a new and untried intelligence agency, but primarily, it was CIA's failure to use adequately its authority to survey departmental intelligence conferred on it by law and by NSCID 1, [] concluded. (b)(3)
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With respect to CIA's second responsibility, [] pointed out that evaluation and dissemination of intelligence relating to the national security as defined in NSCID 3, applied to "integrated departmental intelligence that covers the broad aspects of national policy and national security, is of concern to more than one department or agency or the Military Establishment." In accordance with (b)(3)
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this definition, CIA, as a producer of national intelligence, was expected to rely, whenever possible, on departmental intelligence.¹ Since science and technology were "meaningful predominantly in terms of end items -- that is to say, weapons and weapons systems, comprehensible to policy planners as threats to the national security," [redacted] (b)(3) (b)(6) pointed out that much scientific and technical intelligence of national security interest lay outside CIA, within the area of military departmental intelligence. [redacted] found (b)(3) (b)(6) that the experience and organization of CIA during the two years prior to September 1953 indicated uncertainty about the relationship of scientific and technical intelligence both to departmental intelligence and the production of national intelligence.

In addition to OSI's difficulties with the Services in executing this phase of its responsibilities, the Staff Study pointed to others within the Agency itself which OSI had to contend with. The Office of National Estimates (ONE), for example, made but limited use of OSI contributions in the production of estimates and there was no competent scientific and technical representation on the Board of National Estimates, with the result that OSI possessed no means for establishing its

¹Ibid.

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point of view other than the powers of intellectual persuasion. So restricted, indeed, was the role of OSI (b)(3) that it scarcely justified the then existing organization (b)(6) and efforts of that Office in support of national estimates, [] concluded.

[] interpreted the Agency's third principal (b)(3) responsibility - to perform such other intelligence (b)(6) functions as the NSC may direct - to mean that the law provided the NSC with the authority to direct CIA to fill intelligence gaps and deficiencies not properly covered by departmental intelligence. This, in effect, meant that the Agency in fulfilling this obligation was not to compete with departmental intelligence but was rather to provide agreed services of common concern.

[] claimed that, in actual practice, the NSC had (b)(3) issued few directives to CIA to perform services of (b)(6) common concern. The dearth of specific guidance in the field of scientific and technical intelligence meant, in effect, that OSI was forced to embark upon its own self-conceived production programs. []

(b)(3) these production programs were oftentimes in direct (b)(6) conflict with the areas of Service departmental responsibility and were contributing factors to "that Service

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intransigence which destroyed the Scientific Intelligence Committee (SIC) and resulted further in the politically expedient formulation of DCID 3/4."¹

The [] study found DCID 3/4 unacceptable on two main counts:

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(a) Having been promulgated in implementation of NSCID 3, it was restricted to scientific and technical intelligence production problems. It was, therefore, too narrow a document which concerned itself solely with the delineation of primary production responsibility and failed to address itself to other basic problems of scientific and technical intelligence, such as research, collection, coordination, and utilization of manpower.

(b) Historically it was a "political" document in that it stemmed from "Service annoyance at O/SI's activities in its field." The Services, according to

[] desired that CIA be removed from competition with them in the field of producing intelligence on weapons and equipment, and DCID 3/4 effectively accomplished this, but without a basic examination of the problems of the community. In limiting CIA to the production of

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¹DCID 3/4, 8 August 1952, Secret.

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intelligence in the basic sciences, and the Military departments to the production of intelligence on weapons and equipment, DCID 3/4 begot two uncoordinated halves. If such a delineation of areas of responsibility were scrupulously adhered to, it would have destroyed the national scientific and technical intelligence effort, because it flew in the face of the intellectual process by which sound predictions of future enemy capabilities must be arrived at.¹

In order to bring about a more favorable atmosphere for O/SI to pursue its mission, [] made the following recommendations:

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(1) That [] be revised to specify the responsibility of the AD/SI for advising and making recommendations to the DCI for the improvement of scientific and technical intelligence activities for national security.

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(2) That O/SI immediately organize a small, highly competent staff charged with complete and continuing

¹This reasoning is quite similar to that employed by the DDI, Robert Amory, Jr., in the Spring of 1953, on an analogous problem, when he was engaged in discussions with Department of State personnel regarding the merits of localizing within ORR responsibility for foreign economic intelligence production on the Sino-Soviet Bloc countries.

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responsibility to the AD/SI for surveying, inspecting and improving relations with other intelligence agencies engaged in scientific and technical intelligence.

(3) On the basis of the information obtained by this group, O/SI should prepare recommendations for the improvement of scientific and technical intelligence related to national security for submission to the DCI, and finally

(4) That O/SI should reorganize in accordance with these recommendations.¹

With due allowance for a degree of special pleading in [] part, there is no denying the fact that the directives in effect at the time Dulles became the DCI, were woefully lacking in clearness and precision.

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Other CIA offices besides OSI were similarly hampered by the dearth of clear guidance at this time. Throughout the greater part of 1953 and 1954 the Office of Research and Reports (ORR) was engaged in a controversy with the Department of State's Office of Intelligence Research (OIR) regarding the responsibility for the production of foreign economic intelligence. The directives outlining

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responsibilities for economic intelligence were such that Robert Amory was prompted to describe them as so vague that they provided no guidance at all. The very nature of the scientific and technical intelligence process set the stage for a long and continuing struggle between OSI and the Military Services for that no man's land between basic scientific research and research on weapons, weapons systems and military techniques. Since DCID 3/4 tended to increase rather than lessen the tensions between the Military Services and OSI it must be regarded as a contributing factor to the latter's impotence in the production of adequate scientific and technical intelligence.

At various times subsequent to the Staff Study (b)(3) other recommendations were submitted for a revision of DCID 3/4. Among these recommendations was one by the Clark Committee Task Force. Operating under the aegis of the Commission on Organization of the Executive Branch of the Government (The Hoover Commission), the Clark Committee Task Force conducted a survey of OSI operations between the 13th and 16th of December 1954. With respect to scientific intelligence the Task Force Report stated that "the principal difficulties appear to be a lack of appreciation in both the CIA and in the military intelligence (b)(6)

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agencies of the distinction between scientific intelligence concerned primarily with the future development potential of foreign nations, and technical intelligence concerned with present weapons of foreign nations."¹ The Report then referred to the attempt to resolve these difficulties by the enactment of DCID 3/4 (superseding DCID 3/3) the net result of which was "inadequate coordination" due to the restricted role envisaged for the Scientific Estimates Committee (SEC) which that Directive had set up as a replacement for the Scientific Intelligence Committee (SIC) established in 1949 by DCID 3/3.² The Task Force Report recommended a revision of DCID 3/4 that would abolish the SEC and re-establish the SIC "with a charter which will permit the establishment of as many separate working committees thereof as may be appropriate, to effect interagency coordination in

¹ "Excerpts from Task Force Report on Intelligence Activities, May 1955, Prepared by the Commission on Organization of the Executive Branch of the Government." Top Secret, Eyes Only, (TS #143086) (In OSI Historical Files, "Clark Committee Survey" Folder).

² Ibid.

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the various fields of scientific intelligence."¹

It should be emphasized here that the foregoing recommendation as well as others submitted by the Task Force represented the prevailing sentiments of OSI.

In addition to the preparation of a special history of OSI operations for the Task Force, the AD/SI, H. Marsha(b)(3) Chadwell gave a great deal of personal assistance to (b)(6)

the Task Force Officer [redacted] who wrote the report on OSI. Chadwell provided [redacted] with (b)(3) (b)(6) a variety of supplementary materials, including briefings, outlines and reports on several aspects of OSI's activities.

The AD/SI also prepared "an outline of the subjects that [redacted] might want to cover, and recommendations that he (b)(3) (b)(6) might want to consider."^{2, 3}

[redacted] (b)(3)

²Ibid.

(b)(3) ³These supplementary materials were assembled under Chadwell's
(b)(6) direction following a tip-off, from George Carey AD/O, that [redacted] was having difficulty in writing his report. Prior to assembling these materials, Chadwell discussed the situation with [redacted] in the latter's office on 10 February 1955.

(b)(3) According to Chadwell's account of this discussion, [redacted] (b)(3)
(b)(6) was "considerably at a loss as to how to handle the complexities of scientific intelligence," particularly ELINT (b)(6)
(b)(3) about which he felt he should say something, but did not
(b)(6) know what to say. Chadwell, apparently, was afraid that

[redacted] bafflement was such that he might be tempted to (b)(3)
plagiarize, and for that reason he (Chadwell) felt that (b)(6)
"It would be very dangerous for the OSI material to be in a form that could be lifted verbally by [redacted]" [redacted]

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Again in late 1955 pressure was being exerted in OSI for a revision of DCID 3/4. On 8 November of that year [] DAD/SI/Production, drew up a list of the major points regarding OSI's position on a possible revision of the Directive. Among other things, [] proposed that

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(1) The limitation on the SEC which tend to exclude work on requirements and allocation of research should be removed;

(2) The principle should be reaffirmed that CIA was primarily responsible for coordinating U.S. intelligence activities and for making recommendations to the NSC;

(3) All attempts to separate scientific intelligence from technical intelligence should be abandoned.¹

It is worthy of note here that also in 1955 - throughout most of the year, in fact - the basic science - technology controversy between OSI and the Military Services was also being carried on at a higher level, between CIA and Department of Defense representatives in the IAC over the proposed establishment of a Guided Missiles Intelligence Committee (GMIC). The stubborn

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opposition of the military representatives to the GMIC was overcome only after the DCI appealed directly to the Secretary of Defense, Charles Wilson.¹

Although this episode pointed up the necessity which then existed for a broad-scale attempt to settle the longstanding differences between the Agency and the departments of the Department of Defense regarding research and production in the fields of basic science and technology, all that resulted was the addition of Annex D (the mission and functions of the GMIC) to DCID 3/4, while the Directive itself remained intact. Objectionable though it was to OSI, it continued to be the principal guideline for the production of scientific and technical intelligence until 3 February 1959 when it was finally superseded by DCID 3/5 (New Series). Unlike its vague predecessor, DCID 3/5 declared in clear and precise terms that "the Central Intelligence Agency shall produce scientific and technical intelligence as a service of common concern and as required to fulfill the statutory responsibilities of the Director of Central Intelligence."²

¹Vide Infra pp. 68-74

²DCID 3/5 (New Series) 3 February 1959, Secret.

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~~SECRET~~Internal Organization of OSI 1953-1955.

One of the pressing needs during the first years of the Dulles Administration was for a thorough overhauling of the OSI offices in order to establish a more realistic division of labor so that the Office could tackle its responsibilities in a more systematic manner. This overhauling was not effected until late 1955 after exhaustive studies of the OSI Table of Organization (T/O) had been made by the Office personnel, and also by the Inspector General's (IG's) Staff and by Management Staff.

In early 1953 OSI responsibilities under the overall direction of the AD/SI, Dr. H. Marshall Chadwell, were divided between two principal areas -- a staff area consisting of three components -- Intelligence Production, Operations and General Services; and a divisional area made up of the following eight divisions: Applied Science; Biology; Medicine; Scientific Resources; Scientific Analysis; Physics and Electronics; Nuclear Energy; and Chemistry.

With respect to the handling of responsibilities at the staff level, the Operations Staff worked as an undivided unit. The responsibilities assigned to the

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Intelligence Production Staff were redistributed among four substantive branches--Plans and Control; Estimates; Publications and Review; and Current Support. In the case of the General Services Staff, responsibilities were divided among three branches--Administrative; Information Control; and Requirements. Finally the divisions were subdivided into a total of branches and groups. (b)(3)

A number of individual changes had been effected in this organization between early 1953 and October 1955 when a general reshuffling of OSI's T/O took place. In January 1954 the Physics and Electronics Division established an Electromagnetic Warfare (EMW) Branch and the following May still another branch was added, the Electronic Intercept (ELINT) Branch. Both of these changes were made in an effort to meet the growing demands of the intelligence community for information on electronics developments in the Bloc countries. Special ELINT responsibilities assigned to the AD/SI in the Spring of 1954 were delegated by the latter to the DAD/SI Ralph Clark, who assumed the position of Agency ELINT Staff Officer. Also in 1954 the General Services Staff was renamed the Executive Staff which was to continue to guide the activities of the same three branches--

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Requirements, Administration and Information--that had operated under its predecessor. In February 1955 a Support Staff was established and it took over the functions theretofore administered by the Operations Staff and the Requirements Branch. Finally on 29 March 1955 the divisional area was further expanded when the Guided Missiles Division was established.¹

Inadequacies of the OSI T/O 1953-1955.

In general OSI's T/O, during the early Dulles years was poorly conceived from the point of view of carrying out the various responsibilities assigned to that Office. This was especially true in the division area. As constituted during the 1953-1955 period, the area actually consisted of a congeries of "archaic structures," more representative of "the respective recruiting capabilities of the Division chiefs than it (was) consistent with approved scientific and technical intelligence priorities."²

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The situation then prevailing in some divisions was particularly unsatisfactory. What might well be described as a cold war was being waged in the Physics and Electronics Division between the supervisors and the research specialists working under them. The former being exclusively "electronics engineers" were "noticeably ineffective in dealing with individuals engaged in basic research in such fields as mathematics, physics, meteorology and geophysics."¹ Similarly the caliber of supervision in the Chemistry, Biology and Scientific Resources Division was low, with the result that morale was poor, the turnover rate high and efficient operation was greatly impeded.²

In the Medicine Division there was a great deal of confusion on the part of certain personnel, who, prior to the enactment of DCID 3/4, had been engaged in basic research on Biological Warfare and Chemical Warfare (BW-CW). According to the new dispensation established by DCID 3/4 primary responsibility for BW-CW was assigned to the Military Services, while OSI's responsibilities were to

¹Ibid.

²Ibid.

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be "primarily directed at the surveillance and coordination of intelligence rather than at research and production."¹ Only at the specific request of the IAC agencies, or to the extent necessary to fill clearly defined gaps in coverage could OSI engage in basic research and production in those areas of technical intelligence for which the Military Services had primary responsibility. Medicine Division personnel had great difficulty in adjusting to the new restrictions imposed on them by DCID 3/4.² This caused complications within the Division itself and also resulted in unpleasant relationships between OSI and the Army Chemical Corps.³

Internal Reorganization of OSI in 1955.

Reference has already been made to the Study of OSI conducted by members of the IG's staff in 1954. Among

¹Ibid.

²Ibid.

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the recommendations submitted in this Study was one calling for an ultimate reorganization of OSI that would:

- (1) reduce the span of control under the AD/SI to not more than five components;
- (2) better define areas of responsibility among the various office components; and
- (3) provide a mechanism which could readily produce coordinated intelligence.¹

In response to this recommendation, the AD/SI assigned [] Chief, Intelligence Production Staff, the task of drawing up a new "OSI Research and Production Program." By 6 June 1955, when [] submitted a progress report, a "Research and Production Program" was in an advanced state of preparation, a statement of "Critical Scientific Intelligence Objectives," and a listing of selected research problems or areas had been approved by the OSI Intelligence Board. This informal organization, in existence since the early days of OSI, was chaired by [] in 1955. It was composed of the Staff and Division Chiefs and its mission was to review and recommend action to the AD/SI on substantive matters,

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including the establishment of critical scientific and technical objectives and priorities; the Office intelligence research and production programs, and the programs to be supported by the collectors and clandestine operations. The Board also reviewed and recommended action to the AD/SI on the major items of production resulting from the approved Office programs.

In the course of his investigations [] discovered that throughout OSI offices there was a considerable lack of balance between the amount of research effort devoted to applied science (atomic energy, guided missiles and electronics) and that devoted to the fundamental sciences (chemistry, biology and physics). The Office, in short, appeared to be preoccupied with technical intelligence to the detriment of basic science intelligence.¹

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With respect to the central problem of reorganizing the T/O, it was []'s conclusion, based on an examination of the Office's research projects, that OSI's mission

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could be conveniently divided into two main categories as follows:

(a) applied science or technology--comprising atomic energy, guided missiles, electronics, medicine and weaponry, and

(b) basic science (chemistry, biology, physics) and scientific resources.¹

During the Summer of 1955 the AD/SI as well as several of his assistants were busy with the task of revamping the T/O. By early Fall reorganization plans were completed and the new T/O became effective on 24 October 1955.

Practically every component of O/SI was affected by this reorganization. New Offices established at the staff level included two Deputy Assistant Directors (DAD's).

[redacted] was made Deputy for Collection and with the assistance of a support staff, was responsible for establishing substantive goals and for directing the Office work in guidance and support to collection, as well as in the applications of science and technology to the intelligence process. [redacted] was appointed the Deputy for Production, and with the support of a

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¹Ibid.

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Production Staff, was responsible for directing OSI activities in the fields of production and research. Coordination was to remain an across-the-board responsibility with much guidance from [] who in (b)(3) (b)(6) addition to his responsibility for research and production, was made chairman of the Scientific Estimates Committee. The Executive Staff, minus the requirements responsibilities which were reassigned to the Support Staff under the DAD/SI for Collection, was otherwise to continue to function as in the past.

In accordance with the recommendations submitted by [] in June 1955 as well as those submitted earlier (b)(3) (b)(6) by the I.G., the divisions were consolidated from nine to six, and these were divided into two main areas--a Technical Science Area and a Fundamental Sciences Area.

The Technical Sciences Area.

The technical science area was made up of five divisions--Nuclear Energy, Guided Missiles, Medicine, Applied Science and Electronics. Of these, the first three were to continue to function essentially as they had in the past with the exception that the Nuclear Energy and Guided Missiles Divisions were enlarged with personnel theretofore working in those fields in other components

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of the Office. In the case of the Medicine Division all BW-CW work previously performed by the Division but which did not have medical implications was transferred to the Applied Science Division (ASD).¹ The functions of the enlarged ASD were divided between two substantive branches, one dealing with the non-medical aspects of BW-CW and the other concentrating its effort on weapons. The Electronics Division was developed from the former Physics and Electronics (P & E) Division and was staffed by analysts whose activities in the P & E Division had been devoted primarily to electronics rather than to fundamental scientific research. The scope of operations in the Electronics Division was expanded to include, in addition to ELINT and Electromagnetic Warfare activities, support for the Technical Processing Center (TPC), established under NSCID 17. As mentioned above the Division was also responsible for much of the internal Agency support to the Agency ELINT Staff Officer. For practical purposes the work of the Division was divided among five substantive branches--Technical Services; EMW;

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ELINT; TPC; and Electronics.

The Fundamental Sciences Area.

The overall mission of the newly established Fundamental Sciences Area (FSA) was to perform research and produce intelligence on the status of foreign science, in accordance with the primary responsibilities assigned to the Agency by DCID 3/4. In addition the Area was to provide the "indispensible scientific basis for estimates on the future weapons and technical capabilities of foreign nations."¹ Being a large Area, FSA's responsibilities were divided among a number of branches, some of them covering the major fields of science and others covering special aspects of foreign science. Apropos the latter responsibility, the former Scientific Resources Division was reconstituted as the Scientific Resources Branch of the FSA and was charged with the task of producing intelligence on the status of foreign scientific resources,

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Special Projects Branch was established in order to cover ad hoc projects which did not fall directly into

¹Ibid.

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the responsibilities of any single division. The Special Projects Branch also assumed responsibility for the work formerly performed by the Scientific Analysis Division.

In all there were six branches in FSA, including besides the two already mentioned--Chemistry; Biology; Physics and Mathematics; and Geophysics. The latter four FSA branches, like the Scientific Resources Branch, were direct offshoots from the old T/O--the former Chemistry and Biology Divisions having been downgraded to branches, while the Physics and Mathematics Branch as well as the Geophysics Branch were basic science transplants from the former P & E Division.

Administratively the new T/O was a decided improvement over the old one in that it reduced the AD's span of control and established a more tightly knit chain of command. Similarly in regard to substantive research and production, the separation of technical science and fundamental science disciplines effected by the new T/O, was regarded as a notable advance from the old order in which these two disciplines had been working at cross-purposes. It was the hope of the OSI administration, as expressed by the AD/SI, Dr. Herbert Scoville Jr., who succeeded Dr. Chadwell in September 1955 when the latter

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was appointed Senior Scientific Representative abroad, that the new organizational structure would "better define responsibilities" and that it would provide all personnel in the Office "with a better opportunity for effective work in their respective fields." In an obvious attempt to bolster the morale of those supervisors whose components had been downgraded from divisions to branches, Scoville declared that "no one within the Office should feel that he (was) in any sense being demoted, but rather that new opportunities were being created for all . . . to work more effectively in a field of critical concern to national security."¹

Changes in the Organization of OSI, 1955-1960.

Between 1955 and 1960 there was no major overall reorganization of OSI, but there were a number of changes within different divisions. The disclosure of spectacular advances in missile development in the Soviet Union toward the end of 1957 brought insistent demands for improved coverage of missile intelligence. In response to this, the organization of OSI Guided Missiles Division was greatly expanded in early 1958. The Divisions' two

¹Ibid.

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existing branches (technical and support) were consolidated into the Technical Support Branch and three new ones-- Space Vehicles, Missiles Systems, and Range Activities-- were added. The Division was also provided with a Coordinating and Planning Staff.

Elsewhere during 1958 a Non-Sino-Soviet Branch was established in the Fundamental Sciences Division, and the Electro Magnetic Warfare Branch of the Electronics Division was reconstituted as the Telecommunications Branch and the T. P. C. Branch was downgraded to a section under the Divisions' ELINT Branch.

In 1959 additional changes were made in the division area. The Fundamental Sciences Division was retitled the Physical Sciences Division and its responsibilities were divided among the following five branches: Scientific Resources; Special Projects; Chemistry; Physics and Mathematics; and Geophysics. The Medicine Division was reorganized as the Life Sciences Division with its substantive responsibilities divided among three branches-- Medical, Biology, and International Health.

Electronics Intelligence.

The adjective "push-button" used so frequently today to describe modern warfare brings to mind immediately

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the all-important subject of electronics intelligence. The use of electronic means to determine enemy electronic capabilities, began in England just before World War II and has been an ever increasing effort which today is called ELINT. ELINT is a coined word for the process of electronic intercept and analysis or electronic intelligence and it has been defined as "the collection (observation and recording), and the technical processing for later intelligence purposes, of information on foreign, non-communications, electro-magnetic radiations emanating from other than atomic detonation sources." In simple terms, ELINT is the detection and analysis of radiations from foreign electronic devices for the purpose of extracting information of value to intelligence.¹ The fact that one third of the cost of a modern fighter aircraft goes for electronic equipment and the further fact that most of the electronic devices which make up this equipment radiate signals, emphasizes how much there is to be learned about Soviet capabilities in electronics and the grave obligation that rests with those agencies and

¹See "ELINT, a Scientific Intelligence System" by Charles A. Kroger, Jr. in Studies in Intelligence, Vol. 2, No. 1, Winter 1958, pp. 71-83, Secret.

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departments charged with the responsibility of acquiring this type of intelligence.

But besides its significance in an active military situation, electronics is a powerful weapon for use in psychological and political warfare. Since the days of the Spanish Civil War the USSR had been waging electromagnetic warfare against foreign radio broadcasting, and it was this aspect of Soviet electronics which first attracted the attention of U.S. intelligence agencies.¹ These jamming activities--the popular name for electromagnetic warfare²-- on the part of the Soviet Union were temporarily suspended during World War II, but were resumed and greatly expanded in the years following 1946 in an attempt to jam broadcasts directly to the Soviet Bloc from the Voice of America (VOA), the British Broadcasting Corporation (BBC) and other international broadcasting organizations.

¹In order to fully comprehend the magnitude of the Soviet threat in this field, it should be noted that in 1953 it was estimated that 75% of U.S. military communications and 41% of commercial communications to Europe were via radio, the corresponding figures for communication to the Far East during that same year were 100% and 81% respectively. ("Soviet Capability for Waging Electromagnetic Warfare" undated and unsigned paper, AD/SI Files, Records Center, Job #59-406).

²Electromagnetic Warfare has been defined as "the contest through preclusive use--jamming, interference and related measures--for control of all or parts of the radio spectrum or the denial of its use by others.

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(b)(3)Project EARLSHIP.(b)(1)
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another experi-

mental monitoring activity took place behind the "Iron Curtain" in the Spring of 1954. This project was given the title of EARLSHIP, and the bulk of the substantive work, including the actual monitoring and the processing of the results, was carried out by CIA. However, in the execution of this activity the Agency had the advantage of the field facilities of the Department of State as well as valuable technical assistance from at least one Foreign Service officer.

In pursuance of a plan formulated in Annex A to NSC-169 (Electro-magnetic Communications, approved by the President on 27 October 1953) monitors and specialized radio receiving equipment were sent to Moscow, Warsaw and Budapest for a 90-day experiment, from 15 March to

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15 June 1954, in order to assess the effectiveness of monitoring in those locations, and to determine the feasibility of maintaining it on a permanent basis. During this same 90-day period a regular member of the U.S. Embassy Staff at Prague, who was found to have the necessary technical ability, was assigned to participate in this monitoring exercise on a part-time basis.¹ At the conclusion of the test period the monitors assigned to Moscow, Warsaw and Budapest returned to the U.S., while the part-time observer in Prague remained at his post. As specified in NSC-169 this work was to be carried on under the coordination of the Director of Defense Mobilization (ODM) with the aid of his Assistant Director for Telecommunications.²

Throughout the test period the four monitors at Moscow, Warsaw, Budapest and Prague followed a prearranged schedule. Approximately 7,500 individual observations

¹It was found not to be feasible to attempt to train non-technical members of the Embassy Staffs at Moscow, Warsaw and Budapest in monitoring techniques, because of the scarcity of time available for such training and the fact that considerable technical skill was required to operate the specialized equipment provided.

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of western broadcast signals were made, chiefly from the first three posts. Most of the broadcasts monitored were in the language of the country for which they were intended, and as the monitors were not linguists, evaluation of intelligibility was quite difficult, especially in the face of Soviet Bloc jamming. For this reason the monitors, in accordance with instructions, not only maintained written logs but also made tape recordings of all broadcasts of questionable intelligibility for subsequent evaluation by linguists.

The decision reached, following the evaluation of these logs and tape recordings by the Broadcast Evaluation Section of CIA, was that monitoring in the USSR and Satellite countries was productive and that it should be continued.¹ The Broadcast Evaluation Section of the Physics and Electronics Division of OSI was set up in March 1954 in accordance with paragraph 8-a of NSC-169 which stipulated that "the Central Intelligence Agency, in conjunction with the Department of State, the Department of Defense, and the U.S. Information Agency,

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and under the coordination of the Operations Coordinating Board, shall establish an effective mechanism for intelligence valuation of information concerning the technical effectiveness of U.S. international broadcasting, particularly to the Soviet Bloc."¹ This decision was concurred in by the Technical Evaluation Advisory Committee (TEAC) on International Broadcasting, composed of representatives from CIA, USIA and the departments of Defense and State, and also established in March 1954 for the purpose of advising the Broadcast Evaluation Section on methods and procedure.

To implement this decision, plans were drawn up to continue monitoring on a permanent basis at Moscow, Warsaw, and Budapest. There was also agreement that some monitoring should be initiated in Rumania whose proximity to the USSR made it especially significant. Tentative arrangements were made for the part-time services of a technically qualified member of the U.S. Embassy Staff in Bucharest. All these plans, however, died aborning because of administrative difficulties, including personnel ceilings within CIA, scarcity of qualified technicians and restrictions on the number of U.S. personnel which could

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be assigned to U.S. diplomatic missions in these Soviet Bloc countries. In Prague alone was there any semblance of a follow through program where the technically trained member of the U.S. Embassy Staff continued to do some part-time monitoring until early 1956 when he was about to be transferred to a different post.¹

Intra-Agency ELINT Program.

During the course of the [REDACTED] EARLSHIP operations plans were formulated for "an over-all Agency ELINT program." A memorandum outlining the details of this program was approved by the DCI on 29 May 1954.² Responsibility for the staff supervision of the development, coordination and review of this program was assigned to the AD/SI with the provision that individual elements of the DD/I, DD/P and Office of Communications would be responsible for the development and implementation

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²Memo. from Chief, Management Staff to AD/SI, 17 November 1954, Secret (OSI ELINT Staff, Active Files).

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of ELINT plans and progress within their respective areas of interest under the general coordination of the AD/SI as CIA ELINT Staff Officer.¹ A permanent Agency ELINT Advisory Committee (EAC), comprised of representatives from the DD/I, DD/P and the AD/CO was established on 29 May 1954 for the purpose of advising and assisting the Agency ELINT Staff Officer in the discharge of his duties.²

In order to facilitate the execution of the program, specific functions were outlined for the different components of the Agency. Those assigned to the Agency ELINT Staff Officer, the EAC and OSI were as follows:

(1) The ELINT Staff Officer, with the advice and assistance of the EAC, was to study and make recommendations to the DCI and Agency components regarding the development, initiation, revision and implementation of ELINT plans, policies, programs, projects and budgetary provisions for the Agency and its components; provide

¹As noted above the AD/SI delegated the responsibilities of the Agency ELINT Staff Officer to the DAD/SI, Ralph Clark.

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staff review and guidance for operating components in all ELINT matters and report on their progress to the DCI and arrange appropriate centralized Agency ELINT controls and services.

(2) The EAC, in pursuance of its mission to advise and assist the ELINT Staff Officer, was to review on a continuing basis the Agency's responsibilities, capabilities, and potential in the ELINT field; appraise ELINT policies with a view toward formulating new ones or revising existing ones; and conduct liaison with organizations outside CIA on ELINT policy planning and programming matters.

(3) OSI was to provide the Agency ELINT Staff Officer and such other personnel that might be required for the support of his functions; develop targets and requirements for ELINT collection based upon Agency and USCIB Agency requirements; furnish technical and scientific guidance to CIA collectors in regard to ELINT operations and programs; arrange for technical analysis and dissemination of ELINT data; collate ELINT with all-source material for scientific intelligence research and production.¹

¹Memo. from Chief Management Staff to AD/SI, 17 November 1954, Op. cit.

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Inter-Office Telecommunications Advisory Committee.

Another important element in the Agency-wide program on electronics intelligence problems was the Inter Office Telecommunications Advisory Committee (IOTAC). This committee was established in January 1954 following negotiations among representatives of the DD/I, DD/P and AD/CO regarding "CIA's Implementation of NSC-169." The IOTAC was intended as a forum for the exchange and review of information from various components of the Agency concerned with telecommunications activities.

Under the chairmanship of the Committee, during its first year in operation, sought to provide competent advice and guidance to the participating Agency components on problems which had arisen in executing their responsibilities under NSC-169,

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(b)(3)Inter-Agency Cooperation on ELINT

Notwithstanding the acknowledged importance of ELINT there was still no national policy on this branch of intelligence at the beginning of 1955. A briefing paper on ELINT prepared by OSI in February 1955 for [redacted] of the Clark Committee, called particular attention to this deficiency. "There is as yet," the paper stated, "no centralized guidance or coordination of the ELINT process on a national level. There is no national requirements list, there is no coordinated assignment of collection tasks and no centralized technical analysis on behalf of the interested agencies as a whole." All there was at the time, according

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to the briefing paper, was "a state-side joint Army-Navy project. . . known as the Army-Navy Electronic Evaluation Group (ANEEG),"¹ [redacted]

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[redacted] overseas there was even less coordination.²

To compensate for the lack of a national policy, IAC agencies, responsible for ELINT, sought by various ways and means to coordinate their activities in this branch of intelligence. A notable result of this cooperative spirit was the Services-CIA ELINT Committee (SCEC), established in late 1954 subsequent to negotiations which the AD/SI and the Agency ELINT Staff Officer had initiated with the intelligence chiefs of the military services for the purpose of devising some medium for integrating ELINT collection requirements in the intelligence community.³ In terms of an overall mission, the SCEC was

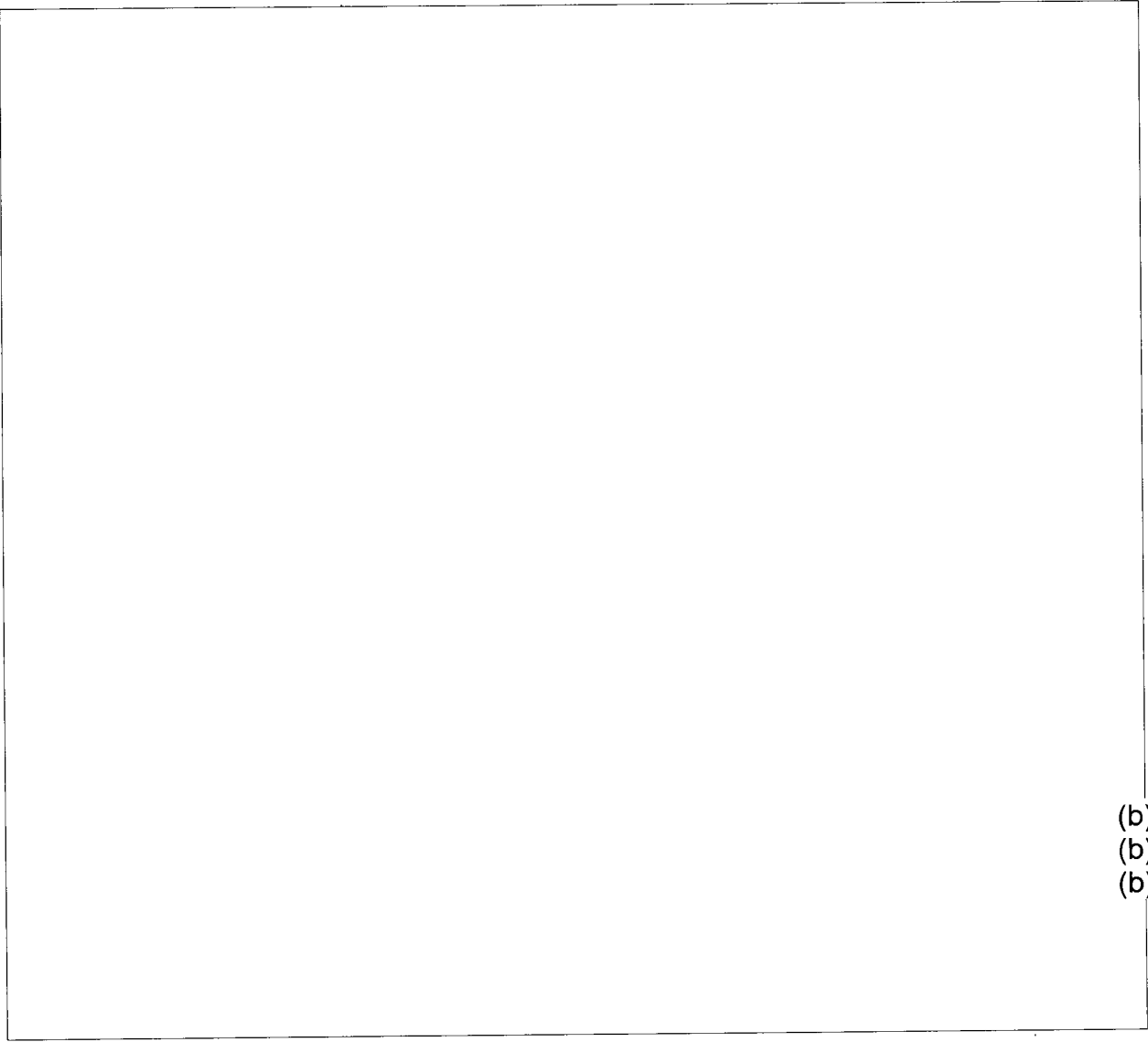
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to serve as an interim measure to fill gaps that would develop until the establishment of a national policy and structure for ELINT then being negotiated by the IAC. In January 1955 Agency and Service representatives met to discuss a tentative frame of reference. In subsequent meetings during February and March 1955 the committee members proceeded to substantive matters.¹



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[redacted] Intelligence Conferences
on Soviet Bloc Electronics.

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One of the principal media for the coordination of electronics matters [redacted] (b)(1)
 (b)(3) have been the [redacted] Intelligence Conferences on Soviet Bloc Electronics. The first of these conferences (b)(1)
 (b)(3) was held [redacted] in 1951 and the second one in [redacted] (b)(3)
 [redacted] June 1952. The third such Conference (the first one under Dulles as DCI) was held [redacted] (b)(1)
 (b)(3) from 18 to 27 October 1954. Also in attendance at sessions of this Conference devoted to missile guidance (b)(1)
 (b)(3) problems, were a number of [redacted] delegates [redacted] (b)(3)
 (b)(1) [redacted] for the [redacted] Guided Missiles Conference, (b)(1)
 (b)(3) scheduled to open 1 November. These delegates were thus (b)(3)
 provided an opportunity to ascertain the views of the Conference on electronics aspects of missile guidance. In the course of its proceedings the Conference considered intelligence collation aspects of Soviet electronics and discussed the then existing deficiencies in the intelligence materials available to both countries. There was also a valuable exchange of views regarding improved guidance for collection efforts. The main value of the Conference was the free exchange of views and opinions among the delegates in regard to current and future capabilities

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and potential of Soviet Bloc electronics. While there were some differences of opinion they were personal in nature and did not affect "the basic solidarity of the two groups."¹

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By the time the Fourth Conference convened in

[redacted] April 1956, membership had been enlarged by the admission of delegates [redacted]

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[redacted], and future meetings were known as the Intelligence Conference on Soviet Bloc Electronics." Unlike the earlier conferences where the discussions ranged over the entire electronics field, there was a concerted effort at the Fourth Conference to narrow the sights and provide working-level electronics specialists an opportunity to exchange views on significant current developments in Soviet Bloc electronics. This, apparently contributed greatly to the success of the conference and there was general agreement among the delegates that at future meetings discussions should be limited to a few selected items of current concern.²

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The Fifth [] Conference was held [] (b)(1)
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from 4 to 12 November 1957. One interesting feature
was the proposal for the establishment of a [] (b)(1)
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intelligence center for the accumulation, collation and
interpretation of all electronic information on earth
satellites. In support of this proposal it was argued
that such a center would greatly benefit the participating

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The Sixth [] Electronics Conference was
held [] from 12 to 22 January 1959. As
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(b)(3) well as being the first one [] it was (b)(1)
(b)(3) also the first one in which economic intelligence
specialists participated. This latter innovation was
an important one, signifying a break with the exclusive
atmosphere of former meetings limited to science and
technology. This was a recognition of the view that a
thorough understanding of the Soviet Bloc capability and
potential in electronics could not be based exclusively
on scientific research and development factors, but that
it should also take into account the economic strengths
and weaknesses of the Bloc countries.

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In considering the developments since the previous conference, the delegates were told that the USSR, in terms of electronic output, was then second only to the U.S.

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The steady advance of the Soviet Bloc in electronics, as well as the accelerated development in electronics science generally made it mandatory for intelligence specialists to keep abreast of the state of the art through periodic training.¹

The Seventh [redacted] Electronics Conference met in Washington D. C. between 6 and 17 June 1960, under the chairmanship of [redacted] (leader of the [redacted] delegation). This Conference was the first to be planned under the joint leadership of two United States Intelligence Board (USIB) Committees, the

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Scientific Intelligence Committee (SIC) and the Economic Intelligence Committee (EIC)--further evidence of the use of both scientific and economic approaches to electronics intelligence.

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Other

subjects indicative of the current trends in electronics intelligence thinking, were the following:

(1) Anti-Submarine Warfare (ASW). Insufficient time had been allotted to this important subject, consequently a special supplementary meeting was held. It was the consensus of this meeting that a great deal remained to be done in this field by all intelligence specialists.

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(3) Electronics in Communist China. Both scientific-technical and economic estimates indicated the strong possibility of Communist China emerging in the near future as a major world factor in electronics. There was general agreement that intelligence on this subject should be greatly increased.

(4) Field Army Electronics. A Conference paper [redacted] followed by a lively discussion, brought home to the delegates that this was an important intelligence area that for too long had been virtually neglected.

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The Conference took special cognizance of the continually narrowing gap between U.S. and USSR electronics, and concluded that the narrower this gap became, the more careful and precise western intelligence estimates would need to be.¹

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National Policy on ELINT.

After lengthy negotiations among the IAC agencies an agreement was reached in the Spring of 1955 for the establishment of a national policy on ELINT. This agreement was duly formalized in NSCID No. 17 which was approved on 16 May 1955. The USCIB was designated as the national policy body for ELINT, including policy in relation to:

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(a) A National Technical Processing Center (NTPC) which the Directive ordered to be established,

(b) Arrangements with foreign governments in the field of ELINT; and,

(c) Recommendations concerning research and development requirements.¹

Under the auspices of the USCIB the Department of Defense (DOD) and CIA were to be responsible for their respective ELINT collection activities. The technical processing of all ELINT was, henceforth, to be accomplished in the NTPC, which was to be organized and administered by the DOD and jointly staffed by representatives detailed from DOD and CIA, in a proportion to be determined by the Secretary of Defense and the DCI. Parallel processing in the field could be undertaken for essential immediate operational or tactical purposes. However, all data collected by the collection agencies should be made available forthwith to the NTPC, subject only to minimum delays necessitated by prior exploitation in the field for urgent tactical or operational purposes. The NTPC should, in turn, effect the fullest and most expeditious

¹NSCID No. 17, 16 May 1955, Secret.

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processing possible and furnish the results thereof to the interested departments and agencies.¹

AFOIN-Z As Focal Point for
ELINT Coordination.

In accordance with NSCID No. 17, the DOD on 13 July 1955 designated the Secretary of the Air Force as the Administrative agent for ELINT matters, and in subsequent directives the Air Force Secretary established a new organization, called AFOIN-Z as the focal point within the USAF for the coordination of ELINT.²

Differences of opinion soon developed between the CIA and the USAF over the latter's plan to locate the NTPC at the Air Technical Intelligence Center (ATIC) Headquarters at Dayton, Ohio. As DCI and as Chairman of the USCIB, Mr. Dulles in November 1955 informed the Secretary of the Air Force that CIA objected to the proposed location for the following reasons:

(1) It would result in the dissipation of the important human assets which had been laboriously built up over the proceeding three years by Army, Navy

¹Ibid.

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and CIA. The location of ANEEG at the Navy Security Station in Washington had permitted effective exploitation of ELINT with collateral and with related COMINT by the three agencies concerned.

(2) The Dayton location would not provide for optimum interaction and mutual support between ELINT and COMINT in order to produce efficiently the best possible ELINT results for all users as required by [redacted] of July 1955.

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(3) Unaccessibility and inefficient movement of personnel would result from locating the NTPC at such a distance from Washington.

Citing as a precedent the location of NSA at Fort Meade rather than at Fort Knox as originally proposed, the DCI recommended a reconsideration of the decision to locate the NTPC in Dayton.¹ The Army and Navy also voiced objections to the Dayton site. After considering these objections the USAF decided to locate the NTPC at the Navy Security Station in Washington, D. C.

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NSCID No. 17 and CIA's Responsibility
for ELINT.

CIA's responsibilities did not undergo any radical change following the enactment of NSCID No. 17. The responsibilities assigned to AFOIN-Z were mainly coordinative in character and not substantive. The Agency's ELINT collection activities were not affected at all, and in addition to sharing responsibility with the DOD for staffing the NTPC, the Agency also shared responsibility with the USAF for directing and staffing AFOIN-Z. The Directive did, however, make it possible for the Agency to dispense with ad hoc coordinative arrangements it had devised prior to the enactment of a national policy for ELINT.¹

So far as substantive ELINT activities were concerned the Agency, through OSI's ELINT Branch, continued to perform significant functions in support of its own responsibilities and those of other IAC agencies. As enunciated in the Spring of 1956 these functions included:

¹One of the principal ad hoc coordinative mediums was the Services-CIA ELINT Committee (SCEC). In August 1956 the AD/SI, believing that the SCEC had fulfilled its interim responsibilities, recommended that the Services concur in the deactivation of the SCEC.

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(a) Develop and recommend on a continuous basis coordinated CIA ELINT collection requirements, priorities and targets.

(b) Maintain for Agency use a register of National ELINT requirements, priorities and targets, completed on an all-source basis and reflecting the highest priority targets of the U.S. intelligence community.

(c) Conduct studies and develop proposals relating to new and improved methods, techniques and systems for collection and analysis of ELINT information, in collaboration with other branches, divisions, offices and agencies as required.

(d) Undertake final technical analysis and evaluation of processed materials; collate the results of this analysis and evaluation with other ELINT material available to the Agency through its direct liaison channels with U.S. and foreign ELINT sources into finished ELINT information suitable for the production of intelligence, and arrange for the dissemination of this information.

(e) Provide personnel as directed for memberships on committees and panels established to meet Agency or National ELINT needs.¹

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The National Security Agency Assumes Responsibility
for U.S. ELINT Activities.

The coordination of ELINT by the USAF was relatively shortlived (1955-58). During 1957 and 1958, when negotiations were underway for the revision of NSCID's and DCID's and for the consolidation of the IAC and the USCIB in the USIB, a decision was reached to recentralize responsibility for U.S. ELINT in the NSA. This decision, formally enacted as NSCID No. 6 (new series), which became effective on 15 September 1958, made the Secretary of Defense the Executive Agent of the Government for the conduct of ELINT activities. Under him, the Director of the National Security Agency (NSA) was given responsibility for executing the U.S. ELINT mission. For the handling of the ELINT responsibilities the NSA established a unit known as Collection and Signal Analysis (COSA) at its Fort Meade Headquarters.

To the extent that NSCID No. 6, and subsequent ancillary directives by the DOD, conferred on the Director of NSA "operational and technical control"¹ for all U.S. ELINT, they constituted a radical shift

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in ELINT responsibilities.

So far as CIA was concerned it meant, in effect, that the Agency would no longer share equality with the DOD in national ELINT matters. This, of course, did not mean that Agency was no longer to play a prominent role in the collection and processing of ELINT. As specified in NSCID No. 6, CIA was to have exclusive responsibility for ELINT negotiations with foreign services [redacted]

[redacted] The Agency

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was furthermore to continue to support COSA as it had theretofore supported the NTPC, COSA's predecessor. This was to be a temporary arrangement, however, pending the implementation of an agreement between CIA and NSA, effective 10 August 1959, which stipulated with respect to Agency personnel then integrated in NTPC/COSA that "any operating agreement between CIA and NSA be flexible with the aim of eventually reducing the level of support to a point commensurate with DCI's responsibilities in the National Elint Program". This phasing out process was to take place over a three year period with a 50% reduction in CIA clerical members of NTPC/COSA during

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Fiscal Year 1960.¹ In subsequent negotiations between these two agencies it was mutually agreed that certain specific responsibilities beyond the capacity and resources of NSA should be performed by CIA. These functions included:

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Notwithstanding the foregoing special functions assigned to CIA, the enactment of NSCID 6 on 15 September 1958 and of [] on 19 March 1959 meant, in effect, that the Agency would henceforth be de jure bound to closely coordinate its ELINT activities with NSA and that the Director of NSA would have a great deal of control over the Agency's ELINT efforts in support of national intelligence, and to a lesser extent over those in support of its own internal needs.

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The Coordination of Scientific and
Technical Intelligence.

Since the intelligence process was a highly diversified and compartmentalized one, there was a

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pressing and continuing need for good coordination in order to prevent unnecessary duplication of effort and to promote unity of purpose in the complex undertakings designed to fulfill the national intelligence mission. More so than in the case of any other branch of intelligence, good coordination was a sine qua non in scientific and technical intelligence. The World War II period and the succeeding years gave rise to such an accelerated expansion in practically all phases of science and technology that a comprehensive knowledge of the general field was no longer attainable by any one man or small group of men. This, in turn, gave rise to an equally accelerated degree of specialization, so much so that specialists engaged in research in various branches of a single discipline, such as physics or chemistry, found it increasingly difficult to communicate intelligently with one another.

In a situation such as this it was readily understandable why, in the case of scientific and technical intelligence the Federal Government found it necessary to divide this vast responsibility among thousands of specialists working in a host of U.S. agencies and

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departments. To supplement and complement the efforts of its own researches the government sponsored a great deal of scientific and technical research in private industry, in colleges and universities, and in research foundations throughout the country. Additionally there was, as indicated above in the case of ELINT, a great deal of collaboration [REDACTED]

[REDACTED] on scientific and technical intelligence problems. This world-wide, multifaceted program made good coordination an absolute necessity, and the bulk of the responsibility to provide it rested with OSI.

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At various times throughout OSI's history, inter-agency committees were established for the coordination of scientific and technical intelligence. Among these committees were three whose work was particularly significant. These were: the Scientific Estimates Committee (SEC); the Joint Atomic Energy Intelligence Committee (JAEIC); and the Guided Missiles Intelligence Committee (GMIC) and its successor the Guided Missiles and Astronautics Intelligence Committee (GMAIC).

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The Scientific Estimates Committee
1952-1959.

With the enactment of DCID 3/4 on 14 August 1952, the SEC replaced the Scientific Intelligence Committee (SIC) which had been established by DCID 3/3 on 28 October 1949. OSI was not satisfied with the new charter prescribed for the SEC, especially the provision that each agency represented on the SEC should operate "within its assigned sphere of responsibility." A staff study by OSI/IPS claimed that this provision legally prevented the Committee from producing truly integrated scientific and technical intelligence, and that whatever success the SEC realized during its first year in operation, in 1952-1953, was a tribute to the cooperative spirit of the individuals concerned rather than to the organizational soundness of the Committee.¹

Both the 1949 and 1952 committee charters spoke in general terms. In accordance with DCID 3/3, the SIC, under the direction of a CIA Chairman was "to plan, support



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and coordinate the production of scientific intelligence as it affected the national security."¹ DCID 3/4, on the other hand, stipulated that the SEC, under a chairman to be elected annually should "integrate scientific and technical intelligence, as and when required, for the production of national intelligence." Furthermore, in an attempt to distinguish between national intelligence and other types of scientific and technical intelligence, DCID 3/4 specified that the SEC should "concentrate on the integration of intelligence opinion (other than that for which the JAEIC is responsible) as and when required for the purposes of national intelligence, and only incidentally assist in the coordination of production of other intelligence in scientific and technical fields."²

Unlike other interagency committees the SEC did not establish any permanent subcommittees, but relied instead on ad hoc working groups to handle special tasks as they arose. During its first year of operation the SEC

¹DCID 3/3, 28 October 1949, Confidential.

²DCID 3/4, 14 August 1952, Secret.

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established ten such working groups. Some of these were set up to resolve conflicting conclusions in NIE contributions dealing with electronics, guided missiles, biological warfare (B.W.). Other working groups were established to eliminate substantive differences in contributions to Chapter VII (Scientific) of the NIS, and to integrate medical intelligence contributions to NIE 65.

B.W. intelligence was particularly prominent in SEC's work during 1953-54. In addition to its coordination of NIS and NIE contributions relative to B.W. the SEC undertook the following:

(1) Production of an estimate (SEC 2-54) entitled "Soviet B.W. Capabilities."

(2) A survey of critical deficiencies in B.W. intelligence.

(3) Coordinated an agreed list of potential (b)(1)
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Soviet B.W. installations based on an all-source research by member agencies.

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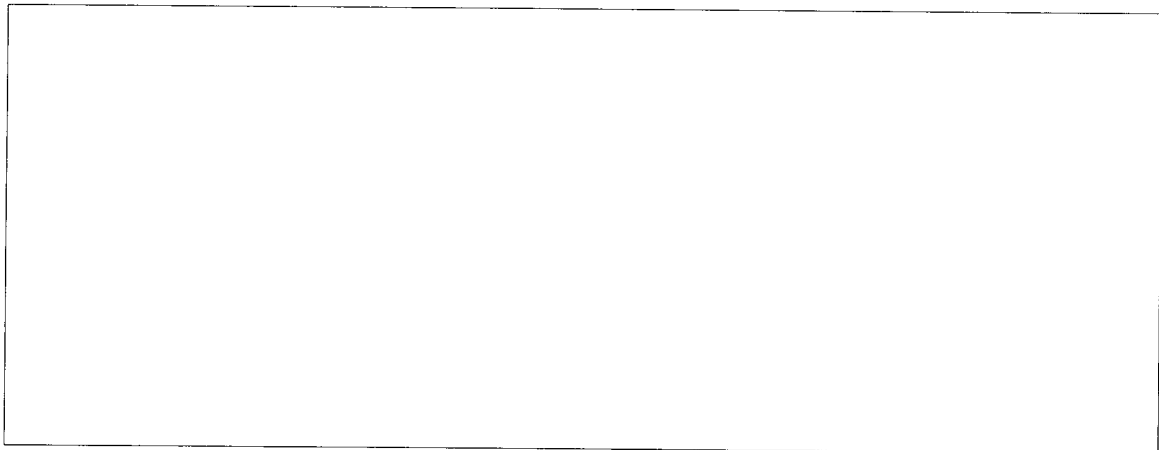
Another major undertaking in 1953-54 was to compile the first of several annual surveys on the "Status of

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Scientific and Technical Intelligence Production Projects," followed by two quarterly supplements. These reports covered both internal and external research projects of member agencies on a world-wide basis and were intended to assist member agencies in planning the production of scientific and technical intelligence and in reducing duplication of effort.¹



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With the expansion of the IAC committee structure there was also increased consultation between IAC committees. For example, in 1956 the SEC undertook, along with the EIC, the GMIC and the JAEIC, to produce the First Comprehensive Community-wide Study of Capabilities and Trends in Soviet Science and Technology. Upon

¹IAC-D-74/2, 3 November 1954, Secret.



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completion this study formed the basis for an NIE (NIE 11-6-56) on the same subject. Also in 1956 the SEC cooperated with GMIC and JAEIC in revising the community statement of "priority objectives in scientific and technical intelligence" which had been derived from the over-all "Priority National Intelligence Objectives" issued by the IAC. This revised statement provided further guidance for the collection and production of national scientific and technical intelligence in conformity with national security policy.

The SEC during 1956 also produced intelligence on Bloc advances in B.W.-C.W. and air-defense radars. In one study it revised the first community-wide estimate (1954) in the field of Soviet B.W. capabilities. In another the SEC prepared a statement of general conclusions on Soviet offensive and defensive C.W. capabilities, with an estimate that the USSR had a well-established, capably-staffed C.W. research and development program. With respect to radar development, the SEC completed a coordinated, all-source program of electronic studies bearing upon the operation capabilities of Sino-Soviet Bloc air-defense radars and derived therefrom the first community estimate of the subject.¹

¹IAC-D-74/5, 5 August 1957, Secret.

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To fulfill its obligations to the ONE to SEC,
during 1957-58, integrated contributions for SNIE's
on "Soviet Long-Range Bomber Developments."

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The Scientific Intelligence Committee 1959-1960.

The merger of the IAC and the USCIB as the USIB
in 1958, and the revision of the NSCID's and DCID's,
were followed by a new name, new terms of reference
and expanded membership for the inter-departmental
committee on Scientific and technical intelligence.
With the enactment of DCID 3/5 (New Series) on 3
February 1959 the name "Scientific Estimates Committee"
was discarded in favor of the original one "Scientific
Intelligence Committee (SIC)." Into the discard along

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with the old name went the old terms of reference laid down in DCID 3/4. The wheel had come full circle. OSI's long-standing opposition to DCID 3/4 had finally been vindicated. The new terms of reference DCID 3/5 (New Series) spelled out in clear language the mission which OSI and the SIC were to fulfill. For the SIC the mission was "to foster, develop and maintain a coordinated community approach to problems in the field of scientific and technical intelligence (except for atomic energy and guided missiles and astronautics intelligence), to promote interagency liaison and to give added impetus and community support to efforts of individual agencies."¹ To further guide the Committee in fulfilling its mission specific responsibilities were outlined in the Directive.

With the addition of the Office of Secretary of Defense (OSD) and the NSA, the SIC's membership was increased from 7 to 9. Non-USIB agencies were to be invited to Committee meetings as and when necessary. The Chairman of the SIC was to be appointed by the DCI

¹DCID 3/5 (New Series), 3 February 1959, Secret.

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with the concurrence of the USIB. The CIA was to provide appropriate secretariat support.¹ Unlike its predecessor which relied entirely on ad hoc working groups to handle special problems, the SIC, with the approval of the USIB, established three permanent subcommittees (Electronics, BW-CW and Medicine) in February 1959. In addition to these the Committee employed ad hoc working groups, when needed, to provide technical expertise in particular subjects under consideration.

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During its first full year (Fiscal Year 1960) in operation the SIC at the request of the USIB undertook the following tasks.

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The SIC submitted its report to USIB in August 1959 and took steps to continue to monitor the problem in collaboration with the JAEIC and the GMAIC.²

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²Following the enactment of DCID 3/4 (New Series) in February 1959, the GMIC was reconstituted as the Guided Missiles and Astronautics Intelligence Committee (GMAIC).

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The Joint Atomic Energy Intelligence Committee.

Between 1949 and 1952 the JAEIC operated as a Working Group under the SIC. With the enactment of DCID 3/4 in August 1952, the SIC was superseded by the SEC and the JAEIC was made an independent interagency committee by the IAC.

One of the interesting features of the JAEIC in 1953 and 1954 was the well nigh absolute authority it possessed with respect to atomic energy intelligence. Operating on the basis that the Soviet atomic energy program was strictly a problem of science and technology, the JAEIC, for the most part, ignored other pertinent aspects of the Soviet system such as strategic planning, economic costs, industrial needs, etc. To further compound

¹Ibid.

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the situation all the JAEIC estimates issued during this period bypassed the ONE, consequently the valuable review services which that Office could have supplied were not used.¹

In January 1955 Paul Eckel of the IG's Staff asked for ONE's views on the procedures then being followed in the preparation of the JAEIC estimates. Recalling ONE's experience in 1953-1954, Dr. Sherman Kent AD/NE, said that the most recent estimate² on the subject of Soviet activities in the nuclear energy field was prepared by the JAEIC and approved by the IAC and that Board of National Estimates did not participate. This estimate, he pointed out, had approached the subject exclusively as a problem in scientific and technical intelligence and in the process had sought to answer three principal questions:

(a) What stage of scientific and technical development had the Soviet nuclear energy program reached?

(b) What quantities of fissionable material had the Soviet program produced and is likely to produce by mid-1957?

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²NIE-11-3A-54, "The Soviet Atomic Energy Program to Mid-1957" 16 February 1954, Secret.

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(c) In what possible weapon types and numerical combinations of types is this material likely to be used by mid-1957?¹

These, he thought, were natural and appropriate questions in a period when the Soviet program was new and when it was, therefore, important to discover whether the USSR had an effective program at all and what its general scale might be. However, the figures forming the basis for the conclusion in NIE-11-3A-54, made it clear to the AD/NE that the Soviet program had reached a stage at which the basic scientific and technical problems involved in the large-scale production of nuclear weapons had been mastered.

In short, ONE was persuaded that the Soviet program would no longer be limited by purely scientific and technical considerations, and that Soviet authorities in the future development of the nuclear energy program would be guided by other factors than the level of their scientific and technical know-how in the field. According

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to ONE, these factors would include "economic costs, strategic plans and possibly future claims of industry for a share in the output of fissionable material."

On the basis of this analysis, the AD/NE concluded that in order "to provide adequate guidance to the NSC and other consumers, the subject ought now be treated within a broader frame of reference than that of scientific and technical intelligence, indeed must be if it is to be understood, since many other considerations than the scientific or technical will affect the actual development of the program in the future."¹

There was a prompt response to Dr. Kent's opinions within OSI. [] Executive/SI noted that ONE's evaluation "raises some interesting questions with respect to the missions and functions of both OSI and NED" but he questioned whether this "was the time to pursue them." Pursued they were, however, and throughout the Spring and early Summer of 1955 there was increasing evidence that OSI was cultivating broader concepts regarding atomic energy intelligence and taking steps

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¹Ibid.

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to enlist the support of other offices in the preparation of estimates. Particularly with ORR closer cooperation was developing with respect to mutual research problems, including those having to do with atomic energy intelligence. On 8 July 1955 ORR and OSI representatives met to discuss clearance and research problems associated with the atomic energy as well as guided missiles.¹ They agreed that OSI was responsible for (b)(3) all aspects of atomic energy intelligence but support of ORR in the field of economic intelligence was needed for those national estimates dealing with the Soviet atomic energy program. At this meeting, agreement was reached on the following procedural matters:

(a) ORR would undertake to do ruble-dollar pricing on the basic materials and equipment for atomic energy installations in accordance with lists supplied to ORR by OSI.

(b) In subsequent NIE's on the Soviet atomic energy program, OSI would request ORR's support on economic aspects, including not only on the aggregate impact and

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drain of the atomic energy establishment on the Soviet economy, but also on specific commodities of atomic energy intelligence interest. Specifically, it was intended that ORR [REDACTED]

[REDACTED] would produce for OSI a comprehensive costing estimate of the Soviet atomic energy program for national intelligence estimates as soon as requisite familiarity with atomic energy programs had been required in ORR.²

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Another strong supporter of a broader approach to the JAEIC estimates was the DD/I, Robert Amory, Jr. In the Spring of 1955 Amory recommended to the DDCI, General Cabell, that the Board of National Estimates should participate in the preparation of estimates dealing with Soviet nuclear energy program. This recommendation, which was approved by General Cabell, was based primarily on three considerations of the Board's position as follows:

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(1) As the group of senior officials responsible for national estimates, it should participate in those dealing with the Soviet nuclear energy program so that broad strategic and other factors (as well as scientific and technical) could be taken into account.

(2) By long experience it was well-equipped to "assay the needs of the policy-maker."

(3) Finally, the Board could provide valuable editorial guidance.

[redacted] Amory (b)(3)
reaffirmed his position on the participation of the Board of National Estimates in Soviet nuclear estimates, but at the same time he cautioned against any attempts to downgrade the JAEIC's key role in atomic energy intelligence. He reminded the DCI that through the JAEIC the CIA had provided leadership in coordinating this important field of intelligence and this role should not be compromised especially at a time when Service agencies were questioning CIA's position in the field of scientific and technical intelligence.

In this connection Amory mentioned proposed revisions of the JAEIC charter submitted on 12 October 1955 by

[redacted] the Joint Staff (b)(6)

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Member of the JAEIC. These revisions appeared to Amory to be designed to limit the Committee's activities to the scientific and technical field. In an attempt to strengthen the position of JAEIC against encroachments by the Services and at the same time supplement the estimating efforts of that Committee with the experience and techniques of the Board of National Estimates, Amory recommended the following procedure for the production of Soviet nuclear estimates:

(1) The JAEIC and the Board of National Estimates should prepare terms of reference.

(2) The draft of the NIE should be prepared by the JAEIC with the assistance of the military, economic and political components of the various IAC agencies.

(3) Prior to submission to the IAC the draft estimate was to be reviewed by the "Webster Panel"¹ and the Board of National Estimates and any differences were to be arbitrated at a joint meeting of the Board, the JAEIC and the Webster Panel.²

¹William Webster, Vice President, New England Power Association, and former Chairman of the Research and Development Board, was a Consultant to the DCI and Chairman of a panel on the methodology of determining atomic energy estimates.

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The end result of the Kent/Amory recommendations was a greatly expanded approach to the problem of Soviet nuclear estimates; and the procedures suggested by Amory became the standard ones for the production of these estimates.

This new approach to the production of Soviet nuclear estimates in no way constituted a diminution of the traditional role of the Services in the JAEIC. As a matter of fact the new terms of reference for the JAEIC, approved by the IAC in December 1955, were essentially the same as those proposed by [REDACTED] (b)(6) on 12 October 1955. Especially significant, in the light of Amory's fears regarding Service designs on the JAEIC's activities, was [REDACTED] stipulation that atomic energy (b)(6) intelligence did "not include intelligence on weapons delivery systems other than on the nuclear warheads or nuclear propulsion systems associated therewith."¹ This interpretation, which was incorporated verbatim in the new terms of reference, was in striking contrast to an old directive (Directive No. 9) of the National Intelligence

¹Annex C to DCID 3/4, 24 January 1956, Secret.

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Authority, which pre-dated the NSC, and had thus far served as the charter for JAEIC operations. In Directive No. 9 atomic energy intelligence was defined as "all intelligence information related to foreign atomic energy intelligence developments and potentialities affecting the national security."¹

Following the reorganization of the intelligence community in 1958 and the review and consolidation of NSCID's and DCID's which accompanied it, the JAEIC was reconstituted as a committee of the newly established USIB. In accordance with new terms of reference incorporated in DCID 3/3 (New Series) the JAEIC was "to foster develop and maintain a coordinated community approach to problems in the field of atomic energy intelligence, to promote interagency liaison and to give added impetus and community support to the efforts of individual agencies."² In pursuit of this mission the Committee was to execute certain specified functions, but the restriction on

[redacted] laid down in the 1955

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¹NIA Directive No. 9, 18 April 1947, Secret.

²DCID 3/3 (New Series), 27 January 1959, Secret.

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revision was to continue in effect. A prominent responsibility under the new terms of reference was inter-committee coordination. The JAEIC was to share with the SIC, the GMAIC, the EIC and other appropriate USIB committees responsibility for the coordination of areas of joint or overlapping concern.

The Guided Missiles Intelligence Committee.

The Guided Missiles Branch of OSI, first a part of the Weapons Division and later in the Applied Science Division, was the Agency component having substantive responsibility for guided missiles intelligence up to 1955. On 29 March 1955 the Guided Missiles Branch was advanced to divisional status under the direction of Colonel John A. White. Within the month following his appointment to the newly established Division, White was also designated coordinator of intelligence production requirements and related activities pertaining to guided missiles in the DD/I area.

It has already been pointed out that there were those in the intelligence community in 1955 who believed that the coordination of guided missiles intelligence entailed a great deal more work than could be handled by one man. Pressure was, in fact, building in certain

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quarters for an interagency coordinating committee similar to the JAEIC. More importantly, however, there were also those in the community who were strongly opposed to the formation of a guided missiles committee. The fact that these opposing elements were able to prevent any positive action on the part of the IAC throughout most of 1955 made the issue of whether there should or should not be a committee a cause celebre which was ultimately resolved only after the DCI had threatened to place the problem in the hands of the NSC.

The IAC was badly split on this issue, with CIA and Air Force in favor of an interagency committee on guided missiles and with Army, Navy, and the Joint Staff opposed. Neutral, but leaning toward the CIA-Air Force position, were the Department of State and the Atomic Energy Commission. The opening round in this lengthy controversy took place on 18 February 1955 when a proposed DCID 3/6, "Establishment of a Guided Missiles Intelligence Committee" was discussed at an IAC meeting chaired by Dr. Sherman Kent. Chief opposition spokesman on that occasion was [redacted] the Joint Staff representative. [redacted]

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The Army and Navy representatives took the same position as that adopted by their colleague from the Joint Staff. This was a classic example of the traditional military position on intelligence matters involving weapons. In the past this appeal to plenary jurisdiction had been invoked to delimit the substantive responsibilities of ORR and OSI, the SEC and the JAEIC; in the present case

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it was effective in ending for the time being further IAC action with respect to a guided missiles committee.

At an IAC meeting on 14 June 1955 the DCI reintroduced the subject of a guided missiles committee. This meeting again resulted in no decision but in an agreement to have an existing group, the Scientific Estimates Committee (SEC) study the question as to how it could take over the proposed activities for guided missiles intelligence.¹

Following instructions from the IAC the SEC considered the problem of guided missiles intelligence. Early in July 1955 the SEC informed the IAC that by further emphasizing and expanding, in certain respects, its coordination efforts in guided missiles intelligence it could fulfill the objectives of the proposed DCID 3/6 through existing organizations and mechanisms and by establishing Ad Hoc committees as required.²

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Soon after the SEC had submitted its proposals to the IAC, the DD/I, Robert Amory, Jr., recommended that the DCI reject them. Amory stressed the fact that no subject of the national intelligence effort at that time, and for the foreseeable future, exceeded the Soviet guided missile program in importance. He also reminded the DCI that prominent consultants [REDACTED]

[REDACTED] had recognized (b)(3)
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the need for the creation of a special committee of the IAC to consider all aspects of this problem and attack it with the same energy and resources that were so successful in the case of the JAEIC. With respect to the opposition forces Amory was of the opinion that the Military intelligence services [REDACTED]

[REDACTED] wanted to exclude CIA (b)(6)

from a significant role in missiles on the ground that the "Pentagon" had exclusive jurisdiction of intelligence on weapons. The DD/I was well aware of the fact that there would be little likelihood of IAC concurrence in which case he believed it would be necessary either to

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go to the NSC or the Department of Defense.¹

The SEC recommendations regarding the coordination of guided missiles intelligence also inspired a prompt response on the part of the Economic Intelligence Committee (EIC). "The production of intelligence on the Soviet guided missiles program," declared the EIC Chairman Dr. Otto E. Guthe, AD/RR, "will require increasing emphasis on the economic aspects of these activities, which in turn will depend upon a broad and detailed knowledge of the Soviet industrial structure and of the large number of industries necessary to support the production of guided missiles."² Guthe further stated that since the primary competence of the SEC was in the fields of scientific and technical intelligence, it was not an appropriate body for the overall coordination of Soviet guided missiles intelligence, including its economic aspects. Although the EIC members were not in agreement regarding the advisability of

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establishing a guided missiles committee at that time, they were, nevertheless agreed that if such a committee were to be established "it should include adequate representation from the economic intelligence community."¹

At a meeting on 12 July 1955 the IAC considered the report of the SEC but came to no decision either to establish a new community committee in this field or to empower an existing committee to perform the required functions. Instead, on 19 July 1955, the IAC established an Ad Hoc Guided Missiles Intelligence Survey Committee. Under the chairmanship of Colonel John A. White of OSI, this Committee was directed to "survey and evaluate the efforts of the U.S. intelligence community in the field of guided missiles intelligence, to include the coverage, emphasis, guidance and status of coordination now existent in this field, and submit a comprehensive report on the state of guided missile intelligence in the U.S., and in friendly foreign powers, together with recommendations as to IAC action."²

¹It is interesting to note that, with the exception of the Air Force, the GMIC problem produced the same polarization in the EIC as in the IAC—a positive one composed of CIA and the Department of State and a negative one consisting of Army, Navy, Air Force and Joint Staff.

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On 13 December 1955 Colonel White presented a summary of the findings of the Ad Hoc Survey Committee to a meeting of the IAC. The discussion which followed White's presentation gave ample evidence that the gulf dividing the IAC members on this issue was as wide as ever. Rear Admiral Edwin T. Layton, Deputy Director, Intelligence, Joint Staff, supported by Rear Admiral Carl Espe, Director Naval Intelligence and by Major General Ridgley Gaither, Assistant Chief of Staff, G-2, took the position that under existing NSC directives, guided missiles intelligence, being intelligence on weapons, fell clearly within the responsibility of the Department of Defense--in short that guided missiles intelligence was departmental intelligence. He further maintained that the creation of an IAC subcommittee on guided missiles was not the answer to what was basically a collection problem.¹ There was, however, one breach in the military wall of opposition--the Air Force. Major General John A. Sanford, Director of Air Force Intelligence, said he believed there was merit to the idea of a coordinated community approach. This approach, he claimed, had

¹IAC-M-222, 13 December 1955, Secret.

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demonstrated its value in the field of atomic energy intelligence. Diametrically opposed to the views of Rear Admirals Layton and Espe and General Gaither was that of the DCI, who declared that guided missiles intelligence was national intelligence of the highest priority. Dulles further claimed that a concerted attack on the problem by the community under the guidance of an IAC guided missiles committee was, therefore, essential if he and the community were to discharge their responsibilities under existing NSC directives.¹

At the next meeting of the IAC on 20 December 1955, the guided missiles committee was again discussed but no agreement was reached about establishing it.² At this juncture the DCI decided to follow the recommendation the DD/I had made back in July about taking the problem to the NSC. As a preparatory step Mr. Dulles, invoking NSCID No. 1,³ wrote a memorandum to the Secretary of

¹Ibid.

²IAC-M-223, 20 December 1955, Secret

³Among other things paragraph 3a of NSCID No. 1 stipulated that when unanimity was not obtained among the Department heads of the Department of Defense, the Director of Central Intelligence should refer the problem to the Secretary of Defense before presenting it to the National Security Council.

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Defense, Charles E. Wilson, on 23 December 1955.

Reiterating his opinion that guided missiles intelligence was national intelligence of the highest priority, Dulles told Wilson that he believed "that a consolidation and sharpening of our efforts in this field are required and that a prerequisite to the successful accomplishment of this end lies in the establishment of a community-wide effort coordinated by a Guided Missile Intelligence Subcommittee of the Intelligence Advisory Committee, with functions similar to those of the existing Joint Atomic Energy Intelligence Committee."¹ The DCI emphasized the serious problem then existing with respect to intelligence on the Soviet guided missile program and that delay in taking remedial action could have such a critical impact on national security that he felt it would be necessary for him to bring the matter before the NSC in the near future for discussion and decision. Dulles made it plain to Wilson that the opposition tactics of the Army, Navy and Joint Staff representatives, during

¹ Memo. from DCI to Secretary of Defense, Charles E. Wilson, 23 December 1955, Secret (DCI Files, Records Center).

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the preceding ten months, had prevented the IAC from establishing a guided missiles intelligence committee.

Defense Secretary Wilson's reply, dated 9 January 1956, was brief and to the point. "I have gone over your memorandum of December 23rd," he informed the DCI, "and concur completely with you as to the importance of our intelligence effort on the Soviet guided missile program. I also concur in your recommendation to establish a Guided Missile Intelligence Subcommittee of the Intelligence Advisory Committee with functions similar to those of the existing Joint Atomic Energy Intelligence Committee."¹ Wilson further expressed regrets that he had not known of this matter sooner, and expressed the hope that "where disagreement of this type occurs in the future that you will bring the matter to my early attention . . . my agreement with you will obviate the necessity for discussing the matter before the National Security Council."²

The military opposition having been thus overruled, the goal so long denied was now attainable. At a meeting of the IAC on 31 January 1956, the Guided Missiles Intelligence Committee (GMIC) was formally established.

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The mission of the GMIC, as stated in its new charter [redacted] was "to strengthen (b)(1) the community approach to problems in the field of guided (b)(3) missile intelligence and to give added impetus to individual efforts."¹ In the pursuance of this mission specific functions were outlined in the terms of reference.² The agencies represented in the Committee were: Army, Navy, Air Force, Joint Staff, State, AEC, FBI and CIA. In addition to these full members, NSA was made an associate member and was invited to participate in the work of the Committee. As specified in the Committee's charter the chairman was to be elected annually by the IAC. Although the charter made no stipulation whatever about the agency affiliation of the chairman, the DCI, in his capacity as Chairman of the IAC, exerted his influence to establish a

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²As in the earlier case of atomic energy intelligence, care was taken, in defining guided missiles intelligence, to stipulate that it did not include intelligence on order of battle, military doctrine, the details of nuclear propulsion, or over-all operational capabilities of missile systems.

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precedent for chairmanship of the GMIC by a Service representative.¹ This precedent was honored during the remainder of Dulles' career. Accordingly the first Chairman of the GMIC was Lt. Col. George Wilson, USAF.

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¹The adoption of this precedent was in line with Mr. Dulles' traditional policy of fostering and promoting better relations between CIA and the Services. In the present instance the chairmanship was doubtless intended to serve as a curative for the wounded pride of the Service representatives who had so vigorously opposed the establishment of the GMIC and also as an incentive for them to cooperate in the work to be undertaken by the Committee. When the new DCI, John A. McCone took over as Chairman of the USIB, the Services lost their favored position with respect to the GMIC chairmanship. The new policy was "the best man for the job" regardless of agency affiliation. As a result of this innovation the chairmanship passed from the services to CIA in 1962.

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As it turned out, Wilson

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was not reelected for a second term, but was replaced
by a fellow USAF Officer, Colonel Earl McFarland, Jr.

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[REDACTED] Guided Missiles Conferences.

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As in the case of electronics intelligence, there
had been close working relationships [REDACTED]

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[REDACTED] on guided missiles dating back

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to 1949. In that year the First [REDACTED] Guided Missiles
Conference was held [REDACTED] and the Second and Third

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were held [REDACTED] in 1951
and 1952. The Fourth Conference met [REDACTED] 1-13

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November 1954. In the course of the proceedings all
significant available information on Soviet guided
missiles was discussed, and consideration was focused
on current gaps and on ways and means for improving

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guidance to collectors. Despite variations in the methodology employed, the assessments of Soviet capabilities in guided missiles by the [REDACTED] groups were very close. The exchange of opinions on various aspects of the guided missiles problem was regarded as effective and mutually profitable.¹

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The first four guided missiles conferences were, apparently, somewhat unwieldy in that they consisted of many delegates ranging over the entire missile field. Following the Fourth Conference sentiment was developing on both sides for small intimate groups to meet periodically between large conferences in order to exchange views on

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particularly significant aspects of guided missiles intelligence. After an exchange of correspondence on this subject an agreement was reached and the first of these small conferences met [] from 10 to 20 May 1955. The principal topics discussed were Soviet personalities and establishments related to guided missile weapons. Although the exchange of views was generally regarded as satisfactory, the meeting itself was a far cry from the small intimate one that had been planned.

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The handful of [] delegates were, apparently, overwhelmed by the fact that as many as 40

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[] representatives were present at some of the sessions.

In registering the dissatisfaction with this aspect of the conference

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[] asked the AD/SI to do what he could to keep future meetings within the bounds agreed to so that the conferees could get down to specific details.¹

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The 5th [] Conference on Guided Missiles was held [] from 25 April to 9 May 1957. This meeting was, a highly

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successful one, and the various reports and discussions were of great benefit to the participants generally.

The following were agreed to at the Conference:

(a) Efforts to improve knowledge of the Soviet guided missile program were to be continued at high priority.

(b) Wherever possible, full exchange of information should be effected on scientific and technical collection studies and methods which might be applicable to guided missiles intelligence.

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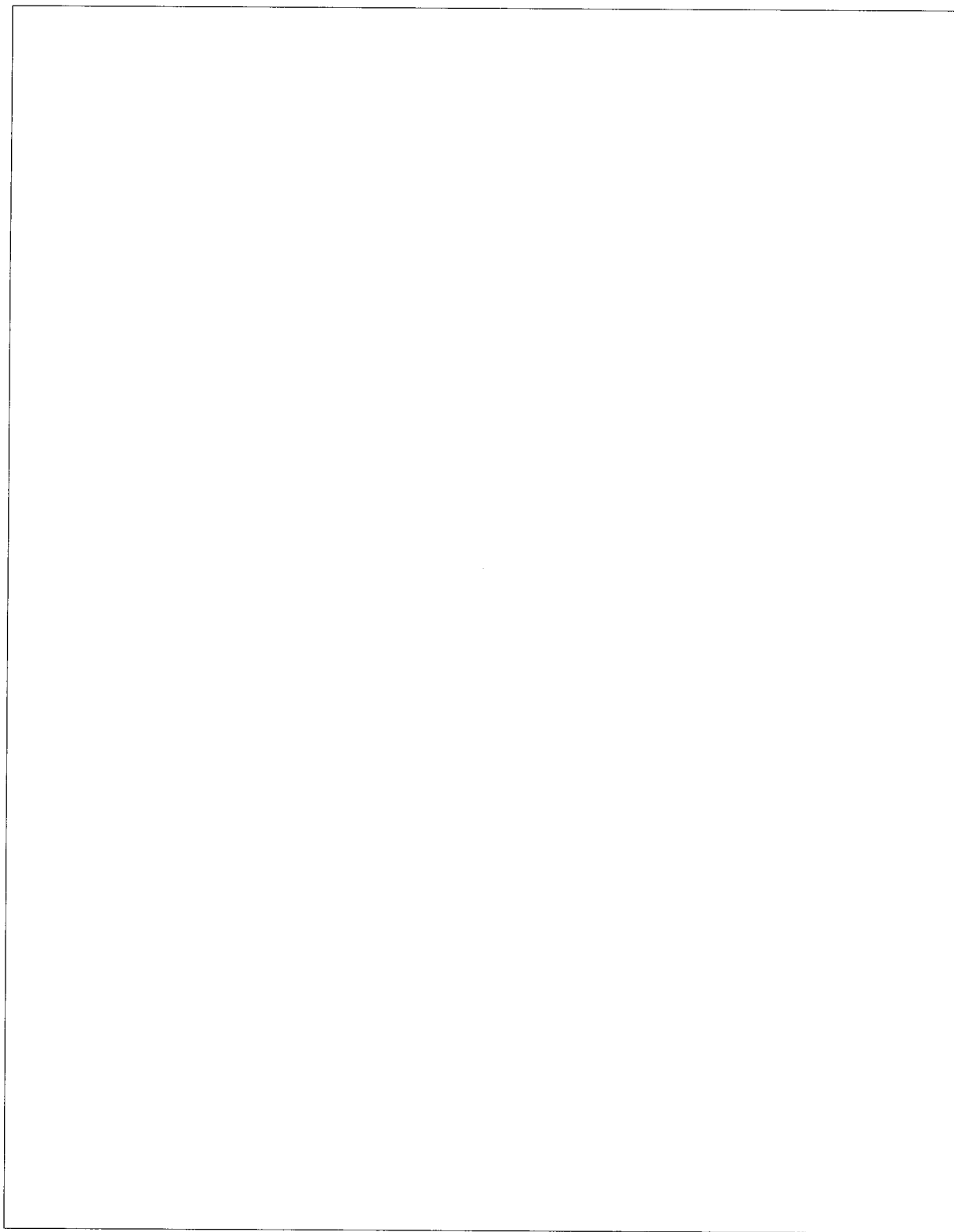
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Critical Need for "Hard Facts" on
Soviet Missile Developments.

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The "post mortems" and

"validity studies" on guided missile estimates showed that the U.S. intelligence community was having a difficult time keeping abreast of the rapidly developing situation in the USSR. For example, NIE-11-5-57 ("Soviet Capabilities and Probable Programs in the Guided Missile Field"), published on 12 March 1957, indicated that the USSR was giving high priority to the acquisition of an

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Inter Continental Ballistic Missile (ICBM) capability, as a consequence of which it already possessed or was rapidly acquiring the necessary data for mastering its ICBM problems.¹ On the basis of the evidence then available, it was estimated that by 1960-1961 the USSR would have an operational ICBM.²

The post mortem on NIE-11-5-57 found that the estimate was based more on educated guesses than on hard facts.³ The intelligence information was insufficient to determine accurately the detailed characteristics of missile systems already known to exist, i.e. the currently-deployed Moscow surface-to-air system, short range ballistic missiles, and air-to-surface missiles. Even greater gaps were discovered in the air-to-air and submarine-launched categories as well as in the development of more advanced systems in all categories. Especially

¹IAC-D-100/54, 26 December 1957, Top Secret, (TS #141679/d).

²Ibid.

³On the basis of information obtained subsequent to the publication of NIE-11-5-57, it was realized that U.S. intelligence had underestimated the scale of effort and the rapidity with which the Soviets were solving their missile problems. Consequently the ICBM operational capability date was advanced from 1960-1961 to sometime between mid 1958 and mid 1959.

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glaring was the almost total lack of firm evidence relating to Soviet development of an Intermediate Ballistic Missile (IRBM) and ICBM. There was a continuing and pressing need for up-to-date intelligence on Soviet guided missile research and development organizations, facilities and personalities and on testing activities.¹

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¹IAC-D-57/59, 21 March 1957, Top Secret, (TS #141564).

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Consultant's Assessment of Soviet
Guided Missile Program.

On 4 October 1957 the USSR, as part of its International Geophysical Year undertakings, placed a satellite (Sputnik I)

in orbit

A few weeks

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after this momentous event the OSI Guided Missiles

Consultant Panel, composed of Robert R. McMath, Lawrence A. Hyland, George B. Kistiakowsky and Francis H. Clauser, met with OSI representatives to examine the Soviet guided missile program, particularly those aspects of the program dealing with offensive ballistic missiles. In reporting its findings to the DCI the Panel stated that:

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1. The intelligence available in OSI proved beyond question that the Russians had "an orderly and progressive program" which was being prosecuted in an aggressive and intelligent manner. It did not appear to be a "crash" program but rather one that had been thoroughly thought out and followed for years. One of the most disturbing features revealed was the high level of Soviet competence in achieving their planned goals. The Panel cited two instances of this competence --

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The first firing

and the orbiting of their satellite were accomplished as scheduled and with practically no delays.

(b) The accuracies achieved in their firings

indicated an extremely high proficiency in guidance components, so much so that no imagination was required to extrapolate "these results to usable accuracies in an ICBM."¹

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2. The available intelligence further indicated to the Panel that the Soviet missile program was supported

¹Letter to DCI from OSI Guided Missiles Consultant Panel, 23 October 1957, Top Secret, TS #115989 (In AD/SI Files, Records Center, Job #60-282).

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by highly reliable rocket motors [REDACTED]

[REDACTED] These motors, reportedly, ready for static tests in 1952, [REDACTED]

[REDACTED] probably were essential

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elements of the Soviet ICBM. To the extent that precise guidance and dependable propulsion were the chief factors in an ICBM, the Panel concluded that the USSR could have about a dozen operational missiles by the end of 1958.

3. On the basis of its knowledge of the U.S. missile program [REDACTED]

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[REDACTED] the Panel estimated that U.S. experience in ballistic missiles did not match that of the USSR, and was, in fact, "lagging by two to three years." In the opinion of the panelists it would take a most determined and concentrated effort, extending over several years, to raise the U.S. experience level again to a par with the USSR.

4. With respect to intelligence the Panel believed that guided missiles intelligence would need to be "closely interwoven both within itself and with the U.S. research and development program so that intelligence might be enabled to arrive at firmer conclusions on a

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greatly accelerated time base."¹ For this reason the consultants recommended that the technical competence of CIA should be expanded without delay and that direct connections between CIA and U.S. missile contractors be effected.

In closing the Panel told the DCI that it believed the country to be "in a period of grave national emergency and that it will only be by the most intelligent and coordinated efforts of all concerned, over a period of some years, before such an emergency can be eliminated."² To counter this threat, the consultants called for increased overt and covert efforts on the part of the intelligence community.

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¹Ibid.

²Ibid.

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OSI/ORR Staff Study on Guided
Missiles Intelligence

Another result of Sputnik I, and the assessment of its significance by the Guided Missiles Consultant Panel, was closer cooperation between OSI and ORR in missiles intelligence. Early in 1958 these two offices jointly reviewed their respective missions in this field and arrived at a mutually satisfactory delineation of responsibilities for guided missiles intelligence on the USSR which stemmed logically from the more or less continuous progression of individual missile systems development

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Both offices pledged themselves to the maintenance of constant coordination in order to insure complete coverage and to avoid duplication of effort. Whenever a problem arose that did not fall clearly within the jurisdiction of either office it was to be allocated by mutual agreement between the two offices. There was also to be close coordination of collection requirements and guidance to collectors.¹

The Guided Missiles and Astronautics
Intelligence Committee.

In line with the reorganization of the intelligence community in 1957-1958, the GMIC was reconstituted as the Guided Missiles and Astronautics Intelligence Committee (GMAIC). New terms of reference were outlined for the GMAIC in DCID 3/4 (New Series) which became effective on 3 February 1959. This Directive assigned the Committee the mission "to foster, develop and maintain a coordinated community approach to problems in the field of guided missile and astronautics intelligence, to promote interagency liaison, and to give added impetus and community support to efforts of individual agencies."²

²DCID 3/4 (New Series), 3 February 1959, Secret

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To fulfill this mission the GMAIC was to perform the following tasks:

(1) Provide a mechanism for the fullest exchange of guided missile and astronautics information for intelligence purposes related to the national security.

(2) Recommend guided missile and astronautics intelligence objectives within the over-all national intelligence objectives, establish relative priorities on substantive needs, review the scope and effectiveness of collection and production efforts to meet these objectives, and make the necessary substantive recommendations to the departments and agencies concerned.

(3) Produce: (a) drafts of national intelligence estimates, (b) contributions to national intelligence estimates, and (c) other interdepartmental intelligence as circumstances require; and to coordinate intelligence community opinion on significant foreign guided missile and astronautics developments including the production of appropriate reports to the Intelligence Board thereon.¹

Another important aspect of the GMAIC charter was the emphasis placed on coordination with other USIB committees. To accomplish this objective the GMAIC was

¹Ibid.

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to share with the SIC, the JAIC, the EIC and other appropriate USIB committees responsibility for the coordination of areas of joint or overlapping concern in order to avoid undesirable duplication in activities and to ensure that no important scientific, technical or economic intelligence matter was neglected when it fell "between areas of established separate committee activities."¹

The Chairman of the GMAIC was to be designated by the DCI in consultation with and with the concurrence of the USIB.² The CIA was to provide appropriate secretariat support.

In actual operation the GMAIC broke with the GMIC policy of concentrating effort on short-lived current matters, and gradually began to focus its attention on those of more durable significance and to concentrate on the production and coordination of comprehensive studies on major aspects of the Soviet missile and space program.³ In line with this new approach the

¹ Ibid.

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GMAIC made extensive use of working groups¹ to handle specific problems as they arose and reserved its own strength for NIE-NIS support work, for community-wide guidance to collectors,² and for activities with organizations, such as the Advanced Research Projects Agency (ARPA) charged with special responsibilities in the missiles-space fields.³

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²A feature of GMAIC's collection guidance activities was the smooth working relationships which were developed with the Critical Collection Problems Committee and its Technical Task Force.

³The ARPA was established by DOD Directive 5105.15 on 7 February 1958. This Agency was given substantive and coordinative responsibility for advanced research and development projects in the fields of space science and technology, ballistic missile defense and other advanced research and development projects as assigned by the Secretary of Defense.

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The Cooperative Nature of Scientific
and Technical Intelligence.

As stipulated in DCID 3/4 and reaffirmed in DCID 3/5 (New Series) "no complete separation of areas of interest is possible or necessarily desirable in scientific and technical activities." More so than in any other phase of the national intelligence effort, that portion of it dealing with science and technology was, par excellence, one which called for the highest possible degree of

¹Ibid.

²Ibid.

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cooperation at all levels of operation. This was absolutely necessary, first of all, because of the staggering complexities of modern science and technology, and, secondly, because of the ever present danger of costly duplication of effort and finally, and perhaps most importantly, because of the importance of harnessing the full resources of the Federal government in a massive attack on this complex undertaking.

The DCI, the legally responsible agent for coordinating the foreign intelligence activities of the United States, delegated substantive responsibility for science and technology to the OSI. In carrying out its mission and functions OSI was, therefore, dependent upon a host of research and support services, supplied in part by other Agency components and in part by various agencies and departments throughout the Federal government. Isolated instances of these services were discussed above with respect to such topics as electronics, atomic energy and guided missiles. It would be tedious to give a detailed listing of all the services, but the following examples illustrate how this many-faceted feed-in system operated both within and outside of CIA:

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I. CIA Offices.

a. Office of Central Reference - biographic

information

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special information

on high priority subjects such as guided missiles, atomic energy and electronics from the files of the Special Register.

b. Office of Operations - information on scientific and technical developments supplied by the Foreign Broadcast Information Division; translation support by the Foreign Documents Division; and liaison and coordination between OSI and its outside contractors and consultants provided by the Office of Contacts.

c. Office of Basic Intelligence - encyclopedic coverage of foreign countries and areas through the National Intelligence Survey program.

d. Deputy Director, Plans - coordination and collation of requirements; collection and dissemination of scientific and technical intelligence

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~~SECRET~~Outside Contractors.

One of the principal means used by OSI to meet its research obligations was to contract out entire projects and studies to external researchers. Concentration of effort on short-range priorities, and especially the chronic shortage of competent manpower, and lack of facilities were some of the chief reasons accounting for OSI's dependence on outside researchers. These research contracts ranged all the way from large-scale undertakings involving many specialists and expenditures running into [redacted] down (b)(3) to relatively inexpensive one-man jobs. Some of these were performed by private universities and research institutes, others by private individual specialists and still others by agencies or departments of the Federal government possessing competence in certain scientific and technical fields.

The following were examples of these different types of external projects farmed out by OSI:

1. Private Research Institutes. In the Spring of 1953 OSI began negotiating [redacted]

[redacted] (b)(3)
[redacted] for a study on scientific education in the USSR.

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This project was approved by the Project Review Committee (PRC) on 16 September 1953. There were two interesting aspects to this project. In the first place the discussion of the project at the 16 September meeting indicated that the Chairman, DDCI, General Cabell, did not share the views of his other PRC colleagues on the general subject of long-range research much less those of the OSI representatives [redacted] (b)(3) (b)(6)

[redacted] relative to the [redacted] study. (b)(3)

In the course of the discussion, the DDCI, according to [redacted] account, "took and held the traditional technical intelligence position that examination of present enemy equipment gives us the required yardstick."¹ When PRC member [redacted] pointed out that this concept could be applied to question the validity of many other Agency activities such as the Biographic Register, Cabell replied that "if BR were under consideration he would apply the same general line of reasoning."² (b)(3) (b)(6)

[redacted] (b)(1) (b)(3)

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With respect to the proposed [] study Cabell declared that "if he could be convinced that this project would enable the forecasting of a new type of aircraft a future source of action, or the like, it would resolve all his doubts.¹ Speaking for OSI, []

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[] pointed out that "the project would provide only one of a number of contributing factors which must be considered in long-range forecasting."² The arguments put forth by OSI with the aid of PRC members were unconvincing for the DDCI cast the lone dissenting vote.

This dissent of the DDCI plus the fact that he was then relatively new in the CIA organization alarmed OSI and fear was expressed that he might also disapprove of many of the other "basic activities" then underway in OSI and other DD/I offices. In view of such a possibility,

[] thought that it would be necessary for the DD/I area, especially OSI, "to sell the DDCI on the fundamental philosophy of intelligence research under which we presently operate - backing it up with facts and figures

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¹ Ibid.

² Ibid.

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wherever possible." Closing his account of the meeting on an ominous note, [] said that "if this effort is unsuccessful, we had better 'stand by for a ram'."¹

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In the second place the actual implementation of the project was plagued by all of the administrative snags and frustrations that could have possibly developed in a contractual situation such as this. Failure to meet promised deadlines, chronic neglect of periodic progress reports, clearance difficulties, lack of manpower, were some of the problems which drove OSI to the verge of cancelling the project.² What was originally

¹This was doubtless an extreme interpretation of Cabell's honest doubts about the project. Granted his so-called "technical intelligence position," there still remains the possibility that he may also have been motivated by a desire to foster a healthy skepticism toward the investment of CIA funds. Such an approach was then badly needed in order to keep expenditures on white elephants to a minimum. It was no mere happenstance, that the PRC under the Chairmanship of the DDCI, General Cabell, began to adopt a more critical attitude toward external research projects in general and especially toward the investment of CIA funds in unclassified research projects that fell legitimately with the area of foundation supported research.

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intended to have been a one-year compact undertaking developed into a piecemeal affair stretched over a number of years.¹ But despite the many frustrations involved in the study, which was directed by [REDACTED]

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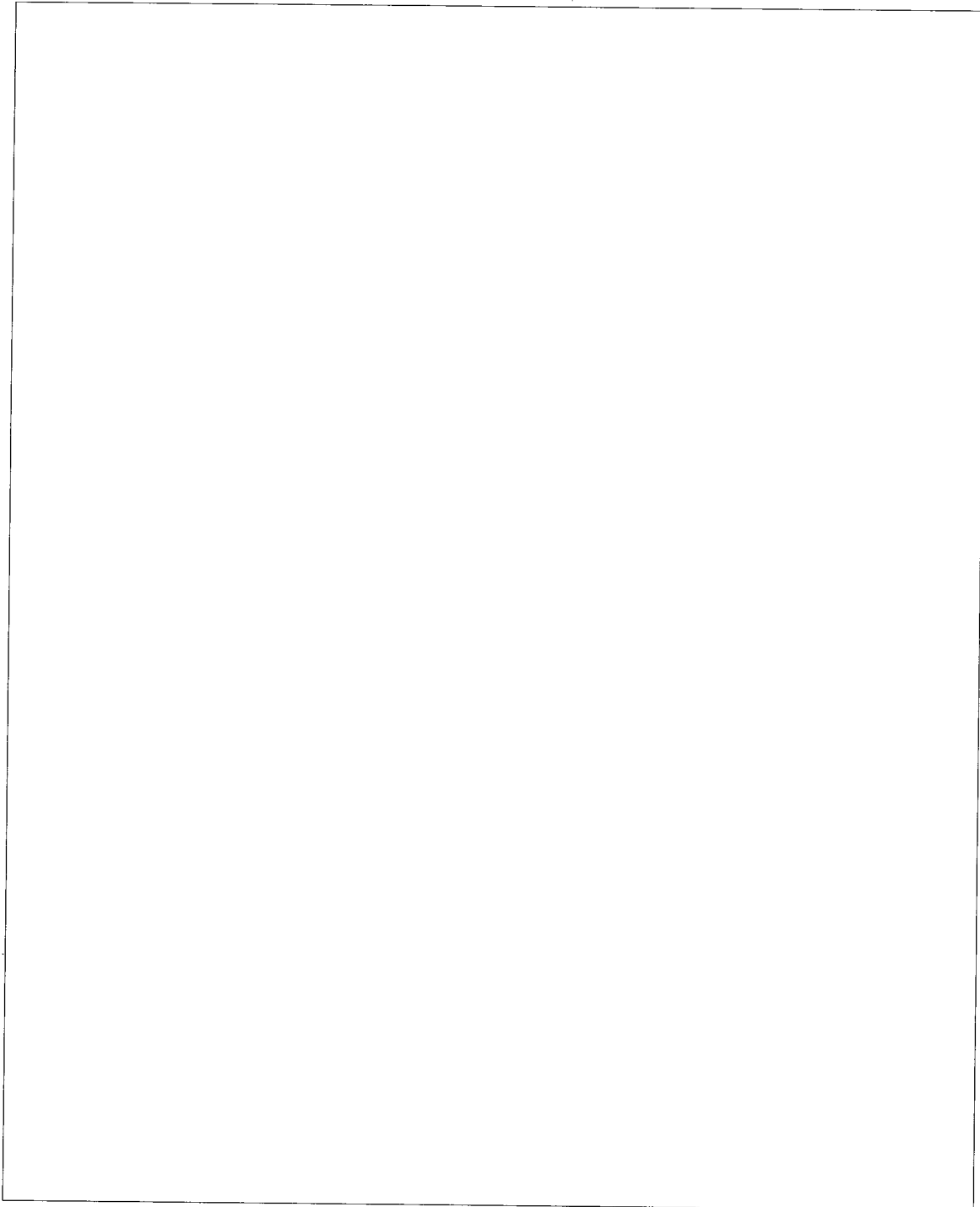
[REDACTED] the final study was regarded by OSI as a first class contribution toward a better intelligence appreciation of scientific education in the Soviet Union.²

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~~SECRET~~The OSI Consultant Program.

An ideal situation with respect to the execution of its mission and functions would be for OSI to have on its permanent staff the best talent available in each of the various branches of science and technology. For various reasons this ideal was beyond the realization of OSI. The tremendous expansion in all fields of science and technology ushered in by World War II and the chronic shortage of specialists of all kinds, occasioned the keenest competition among industry, research foundations, colleges, universities and the Federal government, for the best scientific and technical talent available. In this continuing struggle the Federal government has been a poor contender, for neither in salaries nor in supplemental emoluments has it been able to match the offers being made to top scientists and technicians by its competitors. In these circumstances, then, the Government was thrown back on the alternative of engaging the services of recognized specialists in science and technology on a consultant basis.

From its inception OSI had recognized the necessity for supplementing the intelligence skills and knowledge

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of its trained personnel with the best available scientific knowledge and experience. The OSI consultant program, which has become an integral and vital part of the Office's activity, has been the focal point for harnessing the talents, skills and judgments of the country's leading scientists and technicians in support of the needs of national security. Specifically, consultants have been used for the following purposes:

(a) To form a selected Advisory Panel to the AD/SI for advice and policy, programs and selected priorities;

(b) To provide advice and assistance to divisions and staffs in planning and programming intelligence activities, determining priorities, and reviewing intelligence, research products;

(c) To assist in the evaluation of raw intelligence items of possible significance;

[REDACTED] (b)(1)
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(e) To form scientific advisory boards,

[REDACTED] (b)(1)
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to assess the broad
significance of intelligence items, review principal

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Office studies, and provide guidance regarding emphasis and coverage of scientific intelligence fields;

(f) To provide a pool from which special Ad Hoc Panels could be constituted as required by projects of high priority;

(g) To assist in the analysis and evaluation of open Soviet and Satellite scientific literature;

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Some of the country's most distinguished scientific and technical experts have, at different times, served as OSI consultants.


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With respect to engaging the services of consultants, it would appear that OSI enjoyed greater freedom of action than other CIA offices. In the case of ORR consultants, for example, the standard procedure, as stated by the DCI and the DD/I in July 1954, was for the top man of a company or corporation to be contacted

 so that his advice about the most suitable person could first be obtained. Apparently this procedure did not apply to OSI, or if it did, it was not enforced, and certainly was not followed. The various offices of OSI decided, on their own, what experts were needed for consultations and permission was given to engage them.¹

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~~SECRET~~The Boston Scientific Advisory Panel.

An interesting development in the OSI consultant program was the Boston Scientific Advisory Panel (BSAP). The initiative for this organization came from [redacted] (b)(3) (b)(6)

[redacted] Writing to the AD/SI, Chadwell, on 28 November 1950, [redacted] (b)(3) (b)(6)

referred to the great complexities of modern science and the great need that existed for a group of men with a wide variety of scientific knowledge to help Chadwell as director of OSI, a responsibility the writer described as "the key position . . . for our country's survival." Continuing, he told the AD/SI that in the environs of Boston there existed a group of "tailor-made" experts, [redacted]

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It was [] idea that these experts should be brought together in what he described as the "Boston Cell." (b)(3)
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The prospective members he had in mind were devoted to their country, but were "scared beyond words at the inadequacy of scientific intelligence in their diverse fields," and they were willing to "put all they had" into such a group effort. [] said (b)(3)
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"I always ask the question 'what can we lose by doing this?' I feel the Cell can be disbanded by you any time it is thought desirable--if it gets out of hand or is unproductive of results it can be dissipated by a wave of your hand. In other words we can gain much--so much as to be beyond evaluating and it can lose you absolutely nothing."¹ Operating in what [] described as the "Research Center of the U.S.A." the "Cell" was to serve as a "feeder to OSI" and it was to have several full-time paid men but the bulk of the work would be part-time or unpaid, volunteer work.² (b)(3)
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[redacted] offer found a favorable response in OSI (b)(3)
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for the following year the BSAP was established with
[redacted] serving as the principal (b)(1)
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liaison medium. During the first two years of its existence the BSAP "proved so helpful and the competence of the individual members was so outstanding that the status of the Panel was changed so that Panel members, not already CIA consultants, were employed as WOC consultants."¹ Up to 1955 the BSAP met twice a year, but in October of that year when the Panel assembled to meet the newly appointed AD/SI, Dr. Herbert Scoville Jr., a recommendation was made that in the future, meetings should be held every two or three months.²

During the latter 1950's the Panel's activities were on the downgrade. The principal reason for this was the fact that various members of the Panel were moving to different positions outside of the Boston area, thus making it more difficult for OSI to exploit the Panel

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effectively. Fortunately, however, some of the panelists took positions with the government in Washington so that their talents were available on a full-time basis. By 1959 the BSAP was defunct and the working relationship between it and OSI was terminated.¹

Consultants and Unidentified Flying Objects.

During the early 1950's the general public was greatly agitated by the problem of Unidentified Flying Objects (UFO's) or "Flying Saucers" to give them their popular title. Almost overnight a host of "experts" on UFO's sprang up and generated a great spate of material--newspaper and magazine articles, pamphlets, books, radio and television reports.

The intelligence community, notwithstanding the rather obvious fantasy and hallucination which characterized this controversy, could not stand aloof. One agency, the Air Force, was deeply involved in the affair, and accusations were being bandied about that the Government was withholding information on the subject from the public. But the principal concern, within the intelligence community, was the impact which this

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sensational episode might have on national security.

The Intelligence Advisory Committee (IAC), on 4 December 1952 recommended that a panel of scientific consultants be convened, by OSI. Such a panel met between 14 and 17 January 1953 to examine the evidence thus far accumulated on UFO's, to evaluate their possible threat to national security and to make recommendations thereon. The members and associate members of this panel, under the chairmanship of Dr. H. P. Robertson, a physics and weapons systems specialist from the California Institute of Technology, included some of the most respected men in American Science.¹ In addition to examining the literature on the subject, the panel also took testimony from representatives of the Navy, Air Force, and CIA.

¹IAC-D-67, 18 February 1953, Secret. The other panel members besides Robertson were: Dr. Louis W. Alvarez, University of California (physics and radar); Dr. Lloyd V. Berkner, Associated Universities Inc., (geophysics); Dr. Sameul Goudsmit, Brookhaven National Laboratories (atomic structure, statistical problems); Dr. Thornton Page, Office of Research Operations, Johns Hopkins University (Astronomy and Astro-physics). Serving as associate members were: Dr. J. Allen Hynek, Ohio State University (astronomy); and Frederick C. Durant, Arthur D. Little Inc., (rockets and guided missiles).

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Having completed its investigation the panel concluded that the UFO's did not constitute a direct physical threat to national security and consequently there was no need for a revision of current scientific concepts. The panel further concluded that continued emphasis on the reporting of UFO's "in those perilous times" would result in a threat to the orderly functioning of the protective organs of the body politic, including the clogging of communication lines with irrelevant reports, the danger of false alarms, leading people to ignore real indications of hostile action, and the cultivating of a morbid national psychology as an inducement to hysterical behavior. The panel, accordingly, recommended that national security agencies take immediate steps to strip UFO's of the special status they had been given and the aura of mystery they had unfortunately acquired, and to train personnel to recognize and reject false indications quickly and effectively and strengthen the regular channels for the evaluation of and prompt reaction to indications of hostile measures.¹

¹IAC-D-67, 18 February 1953, Secret.

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~~SECRET~~Training.

For the same reasons that OSI was obliged to rely on the consultant services of top-flight scientists and technicians it has been forced to develop and maintain a good training program. From the outset OSI was aware of this necessity and one of that Office's prime objectives was the building of a highly competent career force of professional and support personnel. Between fiscal years 1951 and 1954 the percentage of available man hours spent in training increases from [redacted] Orig- (b)(1)
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inally training was concentrated mainly on subjects of Agency-wide interest--the processes of intelligence, language training, management training and all kinds of clerical training.

Later on the training program was expanded to include scientific and technical courses at various centers both within and outside the Federal government. This scientific and technical training was made available to qualified OSI personnel at the graduate and undergraduate levels. [redacted] (b)(3)

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In order to improve and expand the capabilities of analysts engaged in research and evaluation of foreign scientific literature and reports, OSI encouraged the study of foreign languages, especially Russian. In addition to attendance at self-study drills and "refresher" programs at the Office of Training Language Laboratory, many OSI personnel attended formal language training courses conducted by the Office of Training.

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The improvement of executive ability in the administration of responsible duties has also been an integral part of the OSI training program. Where possible, maximum

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use has been made of the facilities available in the Office of Training and especially in the Agency Management Training Program.¹

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Special Personnel Problems in OSI.

In addition to the ordinary run-of-the-mill personnel problems confronting all CIA offices, OSI had

¹Ibid.

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its own special ones. One of these special problems involved the relationship between the professionals (scientists and engineers) and the administrators. During the early 1950's when OSI's grade structure was being developed, the belief began to grow among certain professionals in that Office that top assignments were being made on the basis of administrative capacity rather than professional competence. The essence of this belief was that professional competence per se was not sufficient to place the scientist or engineer in the super-grade orbit; to accomplish this the magic propellant, administrative skill, was necessary.

Not long after Mr. Dulles assumed the responsibilities of the DCI, this sensitive matter was brought to the attention of the AD/SI, Dr. Chadwell, In April 1953 []

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[] a trained scientist (organic chemistry), then serving as head of the []

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[] wrote a letter to Chadwell about a promotion

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for his [] deputy, [] a trained engineer (electronics). Pleading for what he described as a balance between the scientist and the administrator in OSI,

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[] declared that "from the standpoint of morale and attraction of capable scientists we should guard against making top assignments overwhelmingly contingent on administrative capacity."¹ [] concluded the letter with the hope that "scientific ability could be a prerequisite for a fair portion of the top jobs."²

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That there was some justification for the professional point of view as stated by [] is borne out by an episode which took place a few weeks prior to

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[] letter to Chadwell. In response to a request from the DD/I, the AD/SI in March 1953 recommended three GS-15's in OSI for super-grade consideration.³

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None of these men had any academic training in science, engineering or technology. Subsequently one of them, whose specialties were economics and industrial relations and whose knowledge of [] was limited, replaced []

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as head of [redacted] in
March 1954.¹

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Another special personnel problem for OSI, and one which affected practically every government agency and department engaged in scientific endeavors, was the perennial difficulty of recruiting competent scientists and engineers. Reference has already been made to the disadvantages the Government faced in competing with private industry and research foundations for the services not only of experienced scientists and engineers but also those of the promising young professionals, fresh from the country's colleges and universities.

Throughout the entire period from 1953 through 1960 OSI was never able to reach its assigned personnel ceiling. An especially critical period for OSI in this respect was the latter 1950's when the Soviet Union was making spectacular progress in various fields of science. These Soviet developments brought a sharp increase in the demands for intelligence on OSI, but that Office was never able to improve its capability, substantially,

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to assume the added burdens. The Average Employment (AE) figures for OSI during the years 1956 through 1960 speak for themselves.¹ In 1956 the AE was [redacted] and in 1960 it was a mere [redacted]. The highest figure ever reached during this five-year period was in 1959 when the AE was [redacted].

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In view of this chronic scarcity of competent scientists and engineers, it was not surprising that OSI during this same period was forced to rely more and more on outside contractors to do specialized research. In 1956 OSI spent [redacted] of its entire budget on external research projects. During the following years this figure was climbing steadily and in 1960 OSI spent more than [redacted] of its budget on external research.²

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~~SECRET~~Rotation Assignments Program for OSI Personnel.

Because of the difficulties of recruiting competent scientists and technicians it was vitally important for OSI to provide a stimulating atmosphere for the recruits it was able to engage and especially as a means of retaining the proven professionals with years of experience in OSI. With respect to this latter group OSI was concerned with the problem of preventing its scientists and technicians from going stale while performing their routine duties.

One of the interesting, though unsuccessful, attempts (b)(3)
to solve these and related problems was made by [redacted] (b)(6)

[redacted] DAD/SI in December 1955, when he recommended the establishment of a "Rotation Assignments" program for OSI personnel. [redacted] believed that this program would help to correct such deficiencies as:

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(1) The insularity of OSI divisions (and to some extent the staffs) which caused the Office to operate, in too many instances, as a federation rather than a unit, thus precluding the development of an office spirit;

(2) The general indifference in some divisions to the subject matter covered by others, with the result

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that no attempt was made "to avoid overlapping or duplicating effort;"¹

(3) Concentrating intelligence competence (in the form of experienced individuals) in certain small units, rather than dispersing it throughout the Office, so that general growth in OSI capabilities through teaching and cross fertilization was hampered;

(4) Too few opportunities for outside assignments to accommodate the growing number of OSI personnel who were:

(a) bored with repetitious or familiar assignments,

(b) blocked from further advancement, and

(c) seeking escape through transfers to other parts of the agency or to the few available [redacted] (b)(1)
[redacted] posts.² (b)(3)

[redacted] was aware that little could be done to accommodate all the OSI people who had professed an interest (b)(3)
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in [redacted] assignments. With respect to the other assignments, however, he believed that much could be accomplished (b)(1)
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by the development of a suitable program of rotating selected OSI personnel from one division to another for the purposes of "cross-fertilizing, breaking down insularity, spreading practical intelligence experience and overcoming boredom."

The time was ripe, he thought, for such a plan in order to remedy the conditions then existing and especially "to hold good personnel in OSI." He said he had few if any doubts about the feasibility of the program, for he was convinced that a great deal of OSI activity involved intelligence as much as scientific ability, whence it followed that many capable individuals were "susceptible of assignment to more than one organizational unit."

suggested that the implementation of the program should be undertaken by the Career Service Board. He also suggested that careful attention be given to the selection of the right individuals and to the solution of the many problems that might arise in carrying out the program, such as the possibility of disruption in programmed research, inertia and reluctance to release individuals, personal desires, including the resort to

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reassignment as a means of avoiding work, and the creation of new problems through misassignment of specialized personnel.

Initially the program was to be a modest internal affair, but [] thought that it could subsequently be expanded beyond the boundaries of OSI. He referred in particular to a suggestion by a [] that OSI should attempt to assign some of its reserve officers to active duty work in fields allied to their normal OSI assignments.¹

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Notwithstanding the recognized need for some remedial measures,² no effort was made to initiate this program. One aspect of the proposed program - the possibility

¹Ibid.

²OSI also sought consultant support in the search for a solution of this problem. Writing to []

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[] in August 1956, the DAD/SI, [] expressed the hope that he [] would be able to give valuable assistance on OSI's two "continuing problems."

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(1) The actual procurement and retention of the kind of scientific and technical people OSI needed, and

(2) How these people could maintain their technical competence while engaged in OSI-type work.

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of expanding it beyond the boundaries of OSI - did have some influence on subsequent thinking on this general problem within OSI. In the late 1950's and early 1960's attempts were made to explore the possibility of initiating exchange - type programs between OSI and certain universities. University authorities, however, lacked enthusiasm for such exchanges on the grounds that while they would be beneficial to the OSI participants they would not benefit those from the universities. Their argument was that because of security restrictions most of the knowledge and experience acquired by the academic people assigned to OSI could not be utilized in the classroom, thus defeating the very purpose of such exchanges.¹

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BIOGRAPHIC SUPPLEMENT TO OSI HISTORY 1953-60.

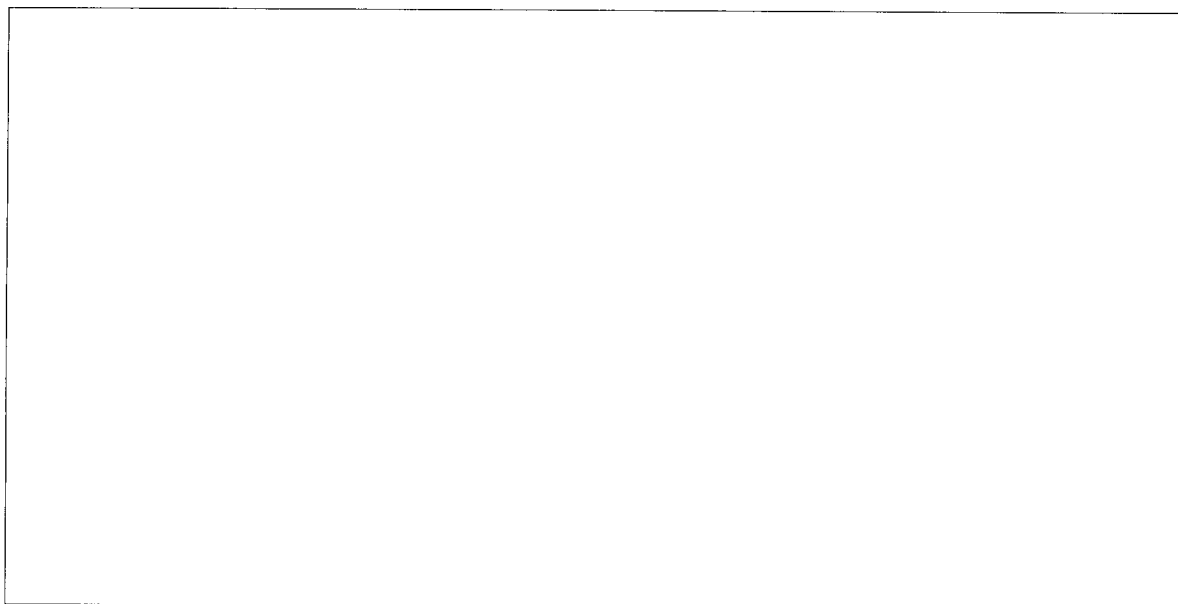
Dr. H. Marshall Chadwell, AD/SI,
February 1950 to August 1955.

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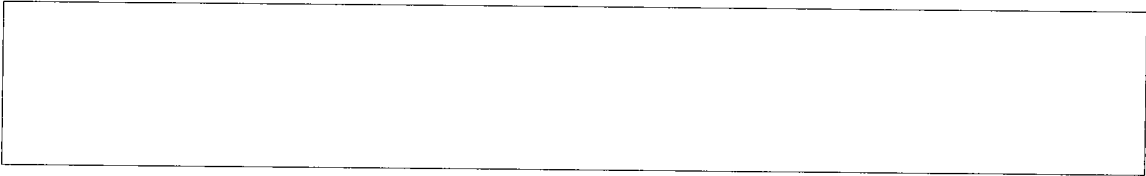
Dr. Herbert Scoville Jr., AD/SI from
August 1955 to June 1962.

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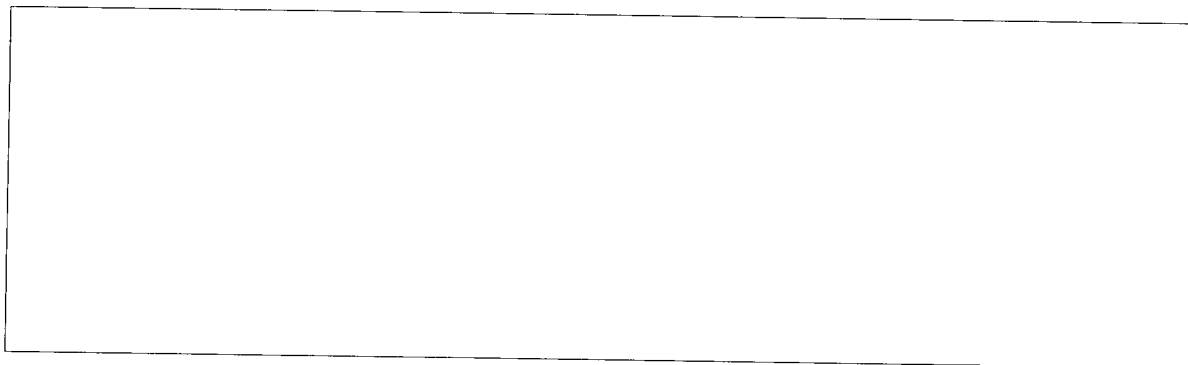
Mr. Ralph L. Clark, DAD/SI from 1949-1957.

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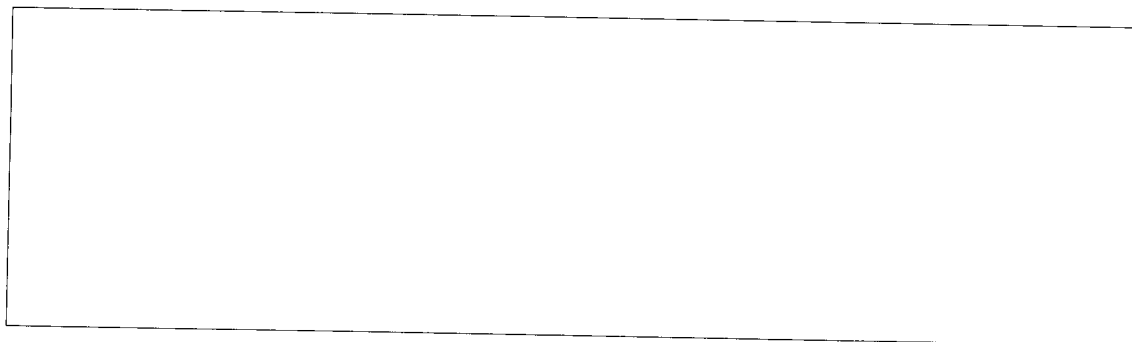
~~SECRET~~

(b)(3)
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-192-

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(b)(3)



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